

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, NOVEMBER 15, 1934

ESTABLISHED 1817
FIRE ASSOCIATION
 of Philadelphia
 JUNE 30, 1934

<i>Assets</i>	
Bonds and Stocks (At Market)	\$12,284,893.40
Mortgage Loans	1,793,909.24
Real Estate	255,384.14
Cash in Banks and Office	2,452,665.94
Premiums in Course of Collection (Not over 90 Days Due)	1,292,491.35
Other Assets	411,816.86
Total Admitted Assets	\$18,491,160.93
<i>Liabilities</i>	
Premium Reserve	\$ 8,811,185.42
Losses in Process of Adjustment	1,232,658.00
Reserve for Commissions, Exp., Taxes and Other Liabilities	404,094.67
Total Liabilities	\$10,447,938.09
Capital	\$2,000,000.00
Surplus	6,043,222.84
SURPLUS TO POLICYHOLDERS	\$ 8,043,222.84
	\$18,491,160.93

ESTABLISHED 1841
THE RELIANCE
 Insurance Company of Philadelphia
 JUNE 30, 1934

<i>Assets</i>	
Bonds and Stocks (At Market)	\$ 2,106,018.00
Mortgage Loans	382,809.19
Real Estate	126,586.21
Cash in Banks and Office	378,867.98
Premiums in Course of Collection (Not Over 90 Days Due)	384,975.93
Other Assets	22,574.19
Total Admitted Assets	\$ 3,401,831.50
<i>Liabilities</i>	
Premium Reserve	\$ 386,178.40
Reserve Perpetual Policy Deposits	72,759.48
Losses in Process of Adjustment	39,239.00
Reserve for Commissions, Exp., Taxes and Other Liabilities	263,270.89
Total Liabilities	\$ 761,447.77
Capital	\$1,000,000.00
Surplus	1,640,383.73
SURPLUS TO POLICYHOLDERS	\$ 2,640,383.73
	\$3,401,831.50

ESTABLISHED 1873
LUMBERMEN'S
 Insurance Company of Philadelphia
 JUNE 30, 1934

<i>Assets</i>	
Bonds and Stocks (At Market)	\$ 3,091,426.00
Mortgage Loans	301,900.68
Real Estate	301,067.87
Cash in Banks and Office	449,145.07
Premiums in Course of Collection (Not Over 90 Days Due)	298,296.56
Other Assets	65,723.25
Total Admitted Assets	\$ 4,507,559.43
<i>Liabilities</i>	
Premium Reserve	\$ 1,674,503.40
Losses in Process of Adjustment	182,347.91
Reserve for Commissions, Exp., Taxes and Other Liabilities	100,302.52
Total Liabilities	\$ 1,957,153.83
Capital	\$1,000,000.00
Surplus	1,550,405.60
SURPLUS TO POLICYHOLDERS	\$ 2,550,405.60
	\$ 4,507,559.43

ESTABLISHED 1928
PHILADELPHIA NATIONAL
 Insurance Company
 JUNE 30, 1934

<i>Assets</i>	
Bonds and Stocks (At Market)	\$ 2,040,486.00
Mortgage Loans	150,900.00
Real Estate	30,153.78
Cash in Banks and Office	157,283.28
Premiums in Course of Collection (Not Over 90 Days Due)	93,358.61
Other Assets	14,109.96
Total Admitted Assets	\$ 2,486,291.63
<i>Liabilities</i>	
Premium Reserve	\$ 575,304.27
Losses in Process of Adjustment	70,596.66
Reserve for Commissions, Exp., Taxes and Other Liabilities	26,396.24
Total Liabilities	\$ 672,297.17
Capital	\$1,000,000.00
Surplus	813,994.46
SURPLUS TO POLICYHOLDERS	\$ 1,813,994.46
	\$ 2,486,291.63

OTHO E. LANE, President
 Home Offices—401 WALNUT STREET, PHILADELPHIA

NEW YORK

CHICAGO

Departmental Offices
 SAN FRANCISCO

DALLAS

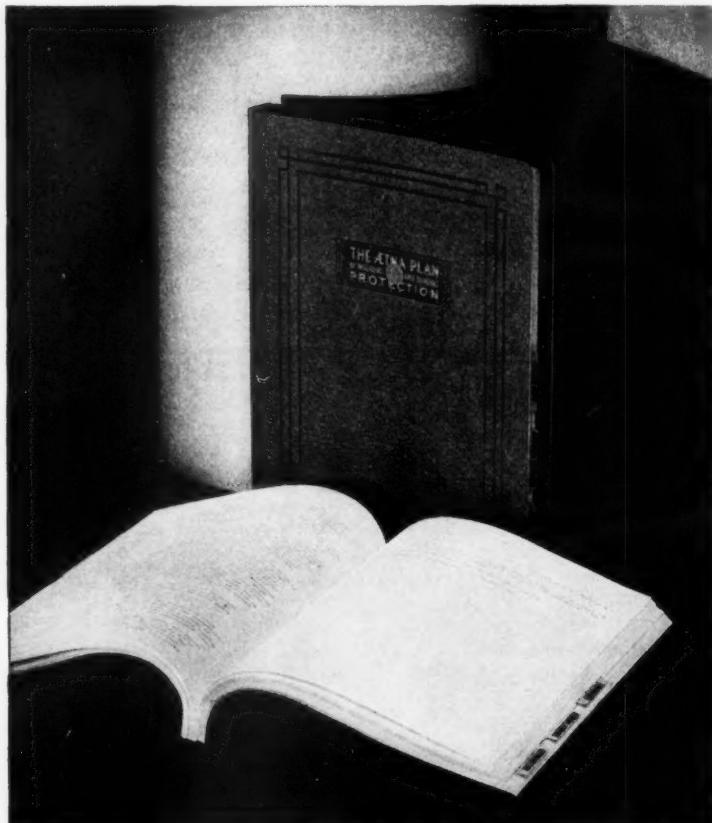
ATLANTA

TORONTO

One of a series of advertisements designed to promote a broader view of the insurance producer's responsibilities.



Prepared to Serve



BELIEVING that the successful agent must be qualified to intelligently advise his clients and prospects, the ÆTNA is definitely committed to the survey method of insurance selling. The ÆTNA PLAN provides a formula by which the agent may thoroughly analyze a risk and accurately determine *what* insurance protection and *how much* is needed.

As specialized aids in this fundamentally important service, there have recently been prepared two comprehensive manuals—one dealing with Personal surveys and the other with Commercial surveys—which Ætna producers are using to excellent advantage.

Coupled with the knowledge gained through the Ætna's various educational facilities, these manuals enable Ætna agents to recommend the proper coverage for any and all types of risks and to point out all possible savings and improvements.

The Ætna Casualty & Surety Company

Mail This Coupon for Further Information

The Ætna Casualty and Surety Company
151 Farmington Avenue
Hartford, Connecticut

Please tell me more about the Ætna Plan

Name

Address

NU

and affiliated companies

THE ÆTNA LIFE INSURANCE COMPANY
THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY

of

HARTFORD

CONNECTICUT

The National Underwriter

Thirty-Eighth Year—No. 46

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 15, 1934

\$4.00 Per Year, 20 Cents a Copy

Sturgess Named by Connecticut Group

Cole's Militant Talk Is Highlight of Agents' Hartford Gathering

H.W.HATCH GIVES REPORT

Greeno Talks on Local Board Promotion
—Dunham Tells of Insurance Department's Work

NEW OFFICERS ELECTED
President—T. A. Sturgess, New Haven.
Vice-President—L. F. Whalen, Green-
wich.
Secretary-treasurer—Arthur Brad-
shaw, Bridgeport.
Honorary Vice-Presidents—F. W.
Brodie, Waterbury, and H. D. Hatch,
New Britain.
National councillor—W. C. North, New
Haven.

By RALPH E. RICHMAN

The Connecticut Association of Insurance Agents' annual meeting at Hartford was highlighted by the militant talk of President E. J. Cole of the National association. He stated that the National association will seek redress for what it believes to be intolerable practices from state legislatures and insurance departments. In his incisive criticism of company cooperation he asks: "Why should agents continue loyally to support the companies on the basis of their present attitude?" President Cole used such descriptive terms as "discriminating," "chiseling," "bootlegging," "racketeering" in criticizing present practices.

Mr. Cole's criticism was not directed at any special company or group, but was primarily aimed at the fundamental difficulty—the failure of the companies to enter into any conference with the agents ready to give more consideration to the producing forces. He approved the New Hampshire insurance department's recent action as a step in the right direction.

Growing Interest in Activities

President Harold W. Hatch, New Britain, in his annual address commented on the growing interest in the association activities. In considering violators of business ethics as prospective members of local boards, Mr. Hatch said that the old offenders may better be left outside, while the others who may have acted from ignorance be admitted to membership and taught correct practices.

Mr. Hatch said he doubted whether the effort to separate mutual and stock agencies in New England would bring results commensurate with the task involved. He criticised agents with dual representation undermining the stock companies. Mr. Hatch urged the passage of a bill in the next Congress prohibiting unlicensed companies from using the mails.

(CONTINUED ON LAST PAGE)

New Faces to Be Found in Commissioners' Ranks

A number of new faces are scheduled to appear in the ranks of the insurance commissioners early in the new year as a result of the election last week. There are, of course, only a few states in which the insurance commissioner is an elective office, but where the position is appointive the election of a new governor, particularly where there is a change in the party in control of the state government, usually brings changes in the insurance department in its wake.

Two of the elective commissioners, Jess G. Read of Oklahoma, secretary of the National Convention of Insurance Commissioners, and Charles F. Hobbs of Kansas, both veterans in the ranks, were reelected last week. Notable among the retirements in this group is that of S. A. Olsness of North Dakota, who is one of the old-timers in the commissioners' convention and has served for some time on its executive committee. He was defeated for renomination in the primaries. His successor, elected on the Nonpartisan ticket, is Harold Hopton, former deputy under Mr. Olsness and also at one time connected with the bonding department of the commissioner's office. After leaving departmental work he was for a time in Canada as supervisor of the legal and loss departments for a number of companies. He has more recently been engaged in the private practice of law.

SEVERAL TO BE REPLACED

Among the appointive commissioners probably scheduled for retirement are C. E. Gauss of Michigan, C. T. Warner of Ohio, W. H. Kelley of New Jersey and C. H. Graff of Pennsylvania, who has been serving as acting commissioner there since the death of Commissioner C. F. Armstrong.

Commissioner H. P. Dunham of Connecticut, a Republican, was reappointed by Governor Cross, a Democrat, when the latter first took office. Whether Col. Dunham still can satisfy a Democratic administration remains to be seen. He is one of the most able and useful of the commissioners. He has maintained the traditionally high Connecticut standard and he has contributed mightily to sound insurance in the country at large. He has done much to sound the slogan of dependable insurance.

GARFIELD BROWN MAY RETIRE

The term of Commissioner E. F. Mitchell of California expired more than a year ago, but he has been allowed to continue in office without reappointment, although there have been frequent reports from time to time that a new appointment was imminent. Mike O'Sullivan, vice-president Sunset Mutual Life, Los Angeles, who was a candidate for the post last year, has again announced his candidacy following the election of Acting Governor F. F. Merriam in his contest with Upton Sinclair. The names of other candidates, some with strong political backing, are also reported to have been presented to Governor Merriam. It is not believed that Mr. Mitchell will be reappointed.

Commissioner Garfield W. Brown of Minnesota, who is now serving as president of the National Convention of In-

surance Commissioners, is quite likely to retire from office when his term expires in February. He was appointed for a full term by Governor Theodore Christensen when George W. Wells resigned, and has therefore held over through the first term of Governor Floyd B. Olson, Farmer-Labor chief. Governor Olson, who was reelected last week, has given no public indication of what he proposes to do when Mr. Brown's term expires, but it is not believed likely that the commissioner will be reappointed, although he is held in high regard, personally and officially, by Farmer-Labor leaders.

The election of R. L. Cochran as governor of Nebraska may result in a shake-up in the insurance department. Although an appointee of Governor Bryan as state engineer, Mr. Cochran was backed in the campaign largely by the anti-Bryan group of Democrats. It is expected, therefore, that most Bryan appointees will have to walk the plank. Nebraska insurance men have been strong in their commendation of the good work done by Insurance Director Lee Herdman, and will put up a fight to prevent his being made a victim of factional warfare.

SEEK TO RETAIN GAUSS

Return of the Republicans to power in Michigan through the election of F. D. Fitzgerald as governor may bring about a change in the department there. The Michigan commissioner serves at the pleasure of the governor and the appointment has usually been on a political basis. Strong efforts will be made, however, to secure the retention of Commissioner C. E. Gauss, who has made an excellent impression on insurance men, making the interests of the department his first consideration and refusing to make it a political football. He retained the old department personnel, resisting all demands that efficient employees be dismissed in order to fill their places with Democratic office seekers. He has said he would be willing to serve under the Fitzgerald regime if so requested and has no intention of resigning before his term expires, Dec. 31. There will undoubtedly be much pressure on the governor to secure the naming of a Republican for the post. So far no specific names have been suggested and Mr. Fitzgerald has made no promises.

VAN SCHALEK MAY GO ON BENCH

Superintendent G. S. Van Schaick of New York can undoubtedly remain in office if he desires. He is one of the outstanding commissioners of the country, who has given the state a most excellent administration. Mr. Van Schaick has taken an active interest personally in the big problems of his office. He is a lawyer of distinction and is thoroughly honest. The report is, however, that he may be appointed to the supreme bench of New York for a term of 10 years. His predecessor, Albert Conway, received a similar appointment. Vincent Dailey, HOLC manager, is mentioned for the post.

Governor-Elect Earle of Pennsylvania has promised a complete house cleaning in the state house at Harrisburg, which undoubtedly will include the insurance department. Various candidates have

(CONTINUED ON PAGE 25)

S. E. U. A. Mutual Rule Is Changed

Amendments Adopted at Pinehurst Meeting Expected to End Some Friction

MEETING WELL ATTENDED

President Barnett Finds Rate Level Dropping and No Hope as Result of Low Loss Ratio

Amendments to the Pinehurst mutual rule of 1931 were adopted at the semi-annual meeting of the Southeastern Underwriters Association at Pinehurst. The executive committee was in session the preceding two days.

President R. B. Barnett, who also is chairman of the executive committee, reported on activities. Expenses of the association, which have been reduced each year since 1929, were lowered in the last six months, it was reported, without impaired efficiency. Losses dropped and there was 10 percent increase in premiums.

Attendance at the Pinehurst meeting was large. The meeting was exceptional in that members were well aligned on most subjects discussed.

AMENDMENTS TO RULE GIVEN

The amendments to the 1931 rule were:

"No member of this association may enter an agency representing any mutual company, or any company paying dividends to policyholders, unless such company is domiciled and has its principal office in the territory of the Southeastern Underwriters Association; nor shall any member of this association remain in an agency which shall hereafter take on the representation of any mutual company or companies paying dividends to policyholders, unless such mutual company, along with stock companies members of the association, shall be acquired through purchase of an agency, and then only if such mutual company is domiciled and has its principal office in the territory of the Southeastern Underwriters Association."

The adoption of the above rule does not relieve members of their obligation to correct violations of the former rule; except as to domestic mutual companies.

"On and after Jan. 1, 1935, no member of this association shall compensate its local agents who represent a mutual insurance company whose domicile and principal office is outside of S. E. U. A. territory, on any other basis than as follows:

"Fire (including all other kinds of business written on fire policies) not exceeding 15 percent.

"Windstorm, cyclone and tornado, not exceeding 15 percent.

"Said commission allowances will cover and include all agency expenses, such as postage, exchange, advertising, solicitors' fees, personal local license fees, rent, clerk hire, services in adjusting losses under policies issued by the agent or agency, local board expenses, (CONTINUED ON PAGE 13)

Joint Gathering of Mutual Organizations in Savannah

OVER 600 IN ATTENDANCE

President T. G. McCracken Advocates Writing of Broader Forms to Cover Many Hazards

SAVANNAH, GA., Nov. 14.—Over 600 attended the opening session of the joint meeting of the Federation of Mutual Fire Insurance Companies and National Association of Mutual Insurance Companies. Outstanding talks were given by W. R. Overmire, insurance manager of the Federal Land Bank of St. Paul; E. H. Thomson, president Federal Land Bank of Springfield, Mass.; T. G. McCracken, president of the National association, and Hugh Peterson, congressman elect of the first Georgia district.

President McCracken said that the "policyholder" was the slogan of the convention. He advocated the widening of the mutual field and suggested improvement of service to the public by looking into the possibility of writing one broad policy covering many hazards. He suggested the universal adoption of the standard farm policy.

Jones Slated for President

B. R. Jones, president of Town Mutual Dwelling of Des Moines, will probably be elevated from vice-president of the National association to president, succeeding Mr. McCracken. The Des Moines delegation to the convention is actively seeking the 1935 convention but if any opposition develops to the proposal, Des Moines will accept the 1936 convention as an alternative. The National association was organized in Des Moines in 1896 and held its national convention there in 1908 and 1919.

There is a pretentious exhibit of mutual insurance advertising consisting of more than 2,000 pieces of direct mail literature. The advertising conference plans to continue the mutual advertising campaign enthusiastically. W. S. Jackson, advertising manager of the Grain Dealers Mutual Fire of Indianapolis, led a group of 50 advertising managers in a one day round table discussion.

Group Sessions Are Held

The second day's session was devoted to consideration of problems of individual groups. The farm group was addressed by V. N. Valgren, senior agricultural economist Department of Agriculture, who reviewed the progress of farm mutuals and emphasized the advantage of uniformity in underwriting practices and policy forms. F. V. Steins, manager insurance department Federal Land Bank, St. Louis, W. H. Schaeffer, Land Bank, Baltimore; E. M. Whitaker, Land Bank, Springfield, Mass., and W. N. Craig, Land Bank, Columbia, S. C., spoke on cooperation with respect to mortgaged property insured in farm mutuals, expressing satisfaction with results attained.

The city and town group heard discussion of work done by the Cooperative Fire Underwriters Association of New York in serving policyholders of member companies by F. P. Tucker, secretary of the association, and a historical review of development of rating schedules by J. A. Arnold, secretary Federal Mutual Fire of Boston.

Other Subjects Discussed

J. E. Kennedy, manager Wisconsin Mutual Alliance, discussed the importance of inspection of town and city risks and L. P. Dendel, secretary Michigan State Association of Mutuals, spoke on the work of the secretary's office. The automotive group of the National association was addressed by C. W. Lettich, D. R. Higgins and G. J. Kecherle on current trends and service to policyholders.

Past presidents of the National association were honored at an evening

Is Presiding at Annual Convention of Mutuals



THOMAS G. McCRAKEN

Thomas G. McCracken, vice-president of the fire insurance companies associated with the James S. Kemper organization of Chicago, who is head of the fire insurance department of the office, presided this week at the annual meeting of the National Association of Mutual Insurance Companies at Savannah, Ga., of which he is president.

meeting which was addressed by B. S. Flagg of Massachusetts on "Serving Two Masters," and O. E. Hurst, Lexington, Ky., on "The Helpful Policyholder."

Much Progress Reported

The federation held a full day of executive sessions with reports by J. J. Fitzgerald, president, who pointed to great progress made by fire mutuals during the past decade. He stated the mutuals will surpass all previous records in premiums written during 1934. The advertising conference was concerned throughout the day with methods of presenting the mutuals' story most effectively to the public.

Blodgett Back at Work

W. A. Blodgett, United States manager of the Eagle Star & British Dominions, who had been under observation in a Bronxville hospital for two months, is again at his office and fit to take on all comers.

H. A. Howell, local agent in Des Moines for 12 years and J. P. Wallace, in the farm paper publishing field for 35 years, have organized the firm of Wallace & Howell, with office at 1101 Walnut street, Des Moines.

THE WEEK IN INSURANCE

Several changes in insurance commissioners to result from last week's election. Page 1

Southeastern Underwriters Association at Pinehurst meeting changes rule on mutual representation. Page 1

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Rossia expands its New York office, Clarence Rich being transferred there and J. B. Carvalho being named head of the newly created facultative department. Page 2

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Colorado agents elect **W. J. Sproul** president at annual meeting in Pueblo. Page 3

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Mutual companies hold conventions in Savannah. Page 2

Rossia Expands N. Y. Office, Enters Facultative Field

RICH IS NOW IN GOTHAM

J. B. Carvalho, formerly of the American Reserve, heads new specific reinsurance department

NEW YORK, Nov. 14.—The Rossia and Metropolitan Fire Reassurance of Hartford have made important changes in their New York office. New and larger quarters have been taken at 116 John street, the office formerly having been located at 40 Wall street. Vice-president Clarence Rich, who has heretofore been located at the head office in Hartford, has been transferred to New York, and a facultative reinsurance department has been opened under J. B. Carvalho, who has heretofore been connected with the facultative department of the American Reserve.

Enters Facultative Field

The entrance of the Rossia into the facultative field is an interesting development. In the last few years one after another of the exclusively reinsurance companies have started facultative departments, but the Rossia, which is one of the biggest factors in the reinsurance business, until now had not entered the arena. Only a handful of the exclusively reinsurance companies are now not doing a facultative business. Among those which do have such departments are the Prudential, General of Paris, Inter-Ocean Reinsurance, American Reserve, Skandia, Eagle of New Jersey, Baltic.

Will Proceed Conservatively

The Rossia plans to proceed conservatively in its facultative department, which incidentally the company is denominating as its "specific" reinsurance division, avoiding the use of the word "facultative." The business will be underwritten.

Mr. Carvalho is a son of B. N. Carvalho, who is vice-president of the Rossia and president of the Metropolitan Fire Reassurance. He has had splendid training for his new work, having been connected with the facultative department of the American Reserve five years. After graduating from Yale, he entered the employ of the National of Hartford. Then he became connected with the New York state rating body, progressing as stamp clerk, inspector and rater. His next move was to the American Reserve.

Rich Is Widely Known

Curtis Carvalho, another son of B. N. Carvalho, is connected with the American International Underwriters.

Mr. Rich, who now is making his headquarters in New York, has an exceptionally wide acquaintance in the business. Before going to the Rossia he was head of the Underwriters Adjusting of Chicago.

Braithwaite Reelected at Maine Agents Annual Meet

R. G. HINKLEY GIVES TALK

Resolutions Provoke Much Discussion—Hannah Urges Confidence Be Substituted for Distrust

The reelection of President H. G. Braithwaite and his fellow officers and lively discussions on various issues featured the annual meeting of the Maine Association of Insurance Agents in Bangor.

A resolution was passed opposing any radical changes in rules, rates and forms unless first approved by the executive committee of the association. A resolution on reporting forms specifying that no such policy may be written unless there are 20 or more locations with minimum premium \$500, caused considerable debate and was referred to the executive committee.

A proposal to follow New Hampshire's action on master policies on financed automobiles was urged but the resolution was referred to the executive committee.

A change in the Maine standard policy form providing for cancellation in 45 days for non-payment of premium was met with an evenly divided reaction from the agents. A resolution providing that all policies must be signed by a licensed agent was tabled.

Provokes Much Discussion

The Home Owners Loan Corporation's insurance activities, the possibilities of compulsory automobile liability insurance in Maine and pending legislation provoked much discussion.

Harold Hodge of Bangor, president of the Penobscot county board, welcomed the visitors. Among the speakers were C. C. Hannah, eastern manager of the Fireman's Fund; G. W. Scott, assistant secretary National association, and Commissioner W. D. Spencer. Commissioner Spencer discussed the developments in the various lines of insurance and characterized the casualty year as a hectic only because of the agitation for a compulsory automobile liability law. He said that such an act would not reduce losses, and would have a great many objections. He cited Massachusetts' experience as an argument against the measure. Mr. Spencer also opposes a compensation state fund proposal.

Hannah Urges Confidence

"Let's substitute confidence for distrust," urged Mr. Hannah in a plea for better understanding between company executives and local agents. "While in our business we have progressed toward unity through conference, with conference has come controversy."

In addition to President Braithwaite the following officers were reelected: Secretary-treasurer, C. W. Lovejoy; Mumford; national councillor, Ivan Lang, Waterville; executive committee, H. A. Baird, Auburn, chairman; J. T. Cole, Kennebunk; Z. M. Dwinell, Camden; W. W. Palmer, Bangor; R. M. Pennell, Portland; N. F. Perry, Presque Isle, and G. C. Weston, Augusta.

Hinkley Talks on Future

The old days are gone forever, R. G. Hinkley, New England manager American of Newark, stated in his talk on "Local Agents' Future in Maine." When he traveled Maine as a special agent, he recalled, he delivered drafts by horse and buggy for the Bangor conflagration. There were no general adjustment bureaus, out-of-state brokers, analytical rate schedules and "double barreled forms," no credit reports or I. U. B., whose operations now cause agents to express some displeasure. He said then everything was handled well for those times by local and special agents.

But the world has moved and various
(CONTINUED ON PAGE 34)

Colorado Agents Elect W. J. Sproul

Annual Gathering at Pueblo Is Progressive and Well Attended

PERTINENT RESOLUTIONS

Myron Collins Tells of Association's Achievements—Urge Qualification Law and Strict Enforcement

NEW OFFICERS ELECTED

President—W. J. Sproul, Canon City.

First Vice-president—Frank England, Jr., Denver.

Second Vice-president—W. F. Howard, Pueblo.

Secretary—N. H. Shellenberger, Colorado Springs.

Treasurer—Reeve Burton, Colorado Springs.

Assistant Secretary—Eugene Jackson, Colorado Springs.

Directors—P. R. Spahr, Denver; Herbert Fairall, Denver; Frank Cotton, Jr., Colorado Springs; A. P. Miller, Denver; John Reece, Pueblo; Ed Spruill, Pueblo; E. G. Middlekamp, Pueblo; N. C. Steel, Denver.

PUEBLO, COL., Nov. 14.—W. J. Sproul of Canon City was elected president of the Colorado Association of Insurance Agents at its annual convention here. He succeeds Myron S. Collins of Colorado Springs. The meeting was one of the best attended and most progressive in several years.

The action of the National Association of Insurance Agents in establishing a Washington, D. C., office was strongly endorsed in a resolution. Any plan of concentrating insurance purchases with any agent or group of agents in one community was condemned.

The National association was urged to renew its efforts to prevent the sale of insurance by mail by companies not authorized to do business. Another resolution recommended the adoption of an automobile financial responsibility law. Insurance companies and the Colorado commissioner were requested to co-

(CONTINUED ON PAGE 34)

Chesapeake & Ohio Elevator Fire Results in Heavy Loss

LOCATED AT NEWPORT NEWS

List of the More Important Claims Made During the Year to Companies

NEW YORK, Nov. 14.—One of the worst fire losses of the year was that of the Chesapeake & Ohio grain elevator at Newport News, Va., Nov. 8. Insurance on the building totals \$240,000 carried in the name of the railroad, with \$520,000 insurance upon contents, for account of the Chesapeake & Ohio and/or the Continental Grain Co. The building loss, it is estimated, will prove total, while some salvage is expected from contents, the insurance on which is thought to be in excess of the indemnity. In addition to the fire coverages use and occupancy is involved.

ADJUSTERS ON THE LOSS

The loss will be handled by the Fire Companies Adjustment Bureau, R. E. Bruce, assistant general manager of the southeastern department at Atlanta, having general supervision with W. H. Davidson, manager of the Norfolk office in immediate charge. Assisting are some 20 staff adjusters. Frank L. Erion, of Chicago, and Wagner & Glidden, Chicago and New York City, are also interested in settling phases of the loss. The line is controlled by the W. D. Callahan Co. of Cleveland, which places the insurance for the Sweringen railway interests.

NOTABLE LOSSES OF 1934

Other notable losses that have occurred throughout the country since Jan. 1 include that on the Chicago Stock Yards, adjusted at \$4,362,649; the Schenley Distillers Corporation plant at Lexington, Ky., adjusted at \$2,655,467, and the Birmingham, Ala., department store of Loveman, Joseph & Loeb, for which companies paid \$997,000 for loss on buildings, stock, fixtures and other coverages. The use and occupancy insurance involved is still in process of adjustment. As a result of the department store fire the building of the telephone company, situated nearby, suffered fire and water damage to such extent that the companies paid close to \$500,000.

The James T. Healy Agency of **Houghton, Mich.**, has purchased the Jack H. Ruhl Agency. Mr. Ruhl will be associated with the Healy agency. John D. Healy is manager.

Look for Little Change in Security Valuation

From all indications the committee on valuations of the National Convention of Insurance Commissioners will not make any material change in the provisions of last year. The plan that was used Dec. 31, 1933, proved successful. Undoubtedly the average used for the valuation of stocks will be brought down to date. The committee seems to be convinced that the plan is fair and equitable.

Detroit Agents in Successful Meet

Five Prominent Fire and Casualty Executives on Association Program

HAVE LARGE ATTENDANCE

White, Koeckert, Behrens, Bell and Buck Speak; Grow, Michigan Association Head, Talks

Many Make Reservations on Train to St. Petersburg, Fla.

NEW YORK, Nov. 14.—Among those who have already secured reservation on the train leaving this city for St. Petersburg, Fla., Dec. 1, arriving there the morning of Dec. 3, for the annual gathering of the National Convention of Insurance Commissioners, Dec. 4-6, are Commissioner H. P. Dunham of Connecticut, Mrs. Dunham and the latter's mother, Mrs. Robbins; Superintendent G. S. Van Schaick, Deputy Superintendent S. R. Feller and J. J. Magrath of the New York department; and C. A. Gough, deputy commissioner of New Jersey; Commissioner D. C. Boney, North Carolina; P. L. Haid, president Insurance Executives Association; Lamar Hill, vice-president America Fore group, and Mrs. Hill; Orvil Davis, General Exchange Corporation; George Merigold, Prudential; J. R. Dumont, manager Interstate Underwriters Board; C. W. Hobbs, National Council on Compensation Insurance; C. G. Taylor, vice-president Metropolitan Life; F. Robertson Jones and C. W. Fairchild, Association of Casualty & Surety Executives; J. A. Beha, general manager, and William Leslie, associate general manager National Bureau of Casualty & Surety Underwriters; J. R. Barry, vice-president Corroon & Reynolds; William Schiff, president National Association of Insurance Brokers; C. B. Morcom, vice-president, and R. E. Hall, counsel Aetna Life; E. J. Perrin, vice-president Automobile; Bruce E. Shepherd, actuary Association of Life Insurance Presidents, and Col. Arthur Thatcher, marine lawyer.

H. Bodenheimer & Sons, of New Orleans, has changed its name to **J. H. Bodenheimer & Son**. J. H. Bodenheimer is president and C. C. Jardet, secretary and vice-president.

DETROIT, Nov. 14.—Five widely known fire and casualty company executives addressed a special meeting of the Detroit Association of Insurance Agents with President H. L. Newnan, Detroit Insurance Agency, in the chair. More than 150 agents from Detroit and surrounding cities, and many field men attended the dinner.

F. C. White, vice-president Hartford Fire; F. W. Koeckert, United States manager Commercial Union; H. A. Behrens, president Continental Casualty; G. H. Bell, western manager National Fire of Hartford and S. M. Buck, western manager Fireman's Fund, were guests of honor and principal speakers. Among local men who spoke were G. W. Carter, president Detroit Insurance Agency and national councilor, and J. A. Grow, vice-president Homer Warren agency and president Michigan Association of Insurance Agents.

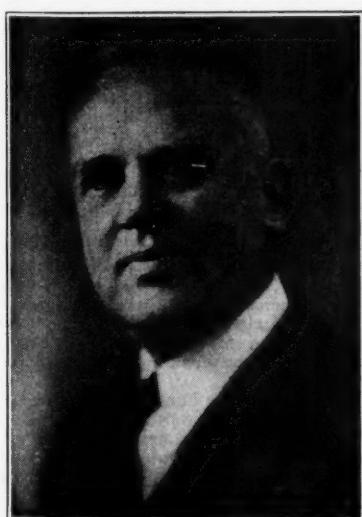
White Is Optimistic

"There is no reason why we in the fire insurance business should not be cheerful today," said Mr. White. "The downward trend in premiums has ceased and I believe that all of the sound fire insurance companies will show an improvement this year. The most crucial period in our recent history has been safely passed and we are well on the road to recovery. The government has let us severely alone and has left us to run our own business, for which we should be profoundly thankful."

"We at the Hartford are firm believers in the value of organization. Our contributions to various organizations to aid them in their work have amounted to 2 percent of our income,

(CONTINUED ON PAGE 7)

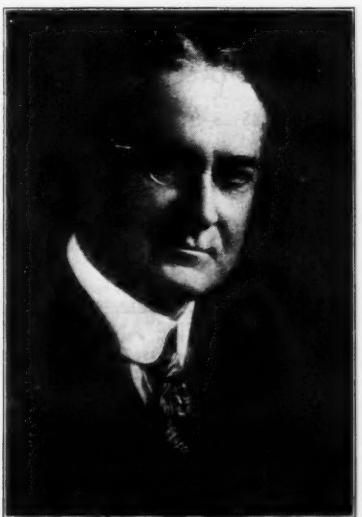
SPEAKERS AT DETROIT LOCAL AGENTS MEETING



FRED W. KOECKERT
U. S. Manager Commercial Union



FRED C. WHITE
Vice-President Hartford Fire



GEORGE H. BELL
Western Manager National



SAMUEL M. BUCK
Western Manager Fireman's Fund

NEWS OF THE COMPANIES

Muckerman Explains Tieup

President St. Louis F. & M. Tells About Its Arrangement with the Utilities of His City

President C. J. Muckerman of the St. Louis Fire & Marine complains of an article which stated that the Utilities of St. Louis is using an agreement which results in licensing its agents as well for the St. Louis F. & M. The article stated that agents of the Western Underwriters Association companies are not permitted to represent the St. Louis F. & M. under the separation arrangement but do so through the Utilities plan. President Muckerman makes the following explanation:

Explanation Is Given

"The St. Louis Fire & Marine is not affiliated with the Utilities of St. Louis. The activities which are involved consist in the writing of a combination automobile policy in which the Utilities accepts the liability, property damage and collision, and the St. Louis Fire & Marine

the fire, theft and tornado. The article would seem to leave the impression that following an appointment by the Utilities of an agent to write this combination policy, which is attended, of course, by the requirement to appoint the same agent for the St. Louis Fire & Marine in order to execute the fire, theft and tornado portion of the policy, our company then proceeds to send fire insurance supplies to this newly appointed agent. This has never been done, and is not contemplated.

Relates to Automobile Lines

"Our activities in connection with this arrangement have never involved anything but fire, theft and tornado insurance on automobiles under a combination policy, and we have never, and do not contemplate the appointment of any of the agents coming under this arrangement for regular fire and windstorm insurance. Our objection to the article is based upon the plain inference that this company is employing subterfuge in order to permit of its representation for fire and windstorm insurance by agents who would be prevented from representing this company under the separation

rule. We dislike this inference of subterfuge. Should we contemplate the appointment of an agent coming within the separation category, we would engage in such activity openly. It is our understanding that the separation rule does not involve the representation of companies for fire, theft and tornado insurance on automobiles.

"Neither has the Utilities, as the articles ends, 'entered a number of agencies in Illinois on this basis.' The agents involved are already agents of the Utilities, which required no additional entry."

New Fire Association Lineup

Several Important Changes Are Made in Home Office of Group in Philadelphia

William Levis, assistant secretary in charge of the New York and New England departments of the Fire Association group, has retired. He entered its service 23 years ago as special agent in New England. Since 1926 he has had executive duties at the Philadelphia head office.

A. H. Clevenger, who has been elected secretary to succeed Mr. Levis, entered the business in Philadelphia and has successfully held various agency and com-

pany positions, recently being engaged in general executive duties with the Lumbermen's of Philadelphia, control of which was acquired by Fire Association in July.

Several other important home office changes in the Fire Association organization are also announced. Kenneth B. Hatch becomes assistant secretary in charge of the middle and western departments, succeeding Assistant Secretary J. G. Garretson, who assumes general underwriting duties. Mr. Hatch started in 1919 with the Niagara Fire, traveling various fields until 1930, when he joined the Fire Association, shortly thereafter becoming manager of the special risks department.

Frary in Charge of Department

D. R. Frary, former vice-president of the Lumbermen's, becomes secretary in charge of special risks department, succeeding Mr. Hatch. He entered the insurance business with the Survey Bureau of Chicago in 1902. General Adjuster W. G. S. Savage becomes secretary, with duties unchanged. He has been with the Fire Association since January, 1907, serving as special agent, middle department manager and general adjuster.

Decrease in Agents Shown in New Wisconsin Hand-Book

The newly issued Underwriters Hand-Book of Wisconsin presents several interesting angles to those who are doing business in the state. There has been a decrease in the past year of the number of fire insurance agents as licensed by the insurance department, the number being 26,565 as compared with 27,014 in the previous year. The number of casualty agents increased from 13,987 to 14,581. The most pronounced change was in the ranks of the life agents, there being 5,535 licensed this year as against 4,204 in 1933. The total number of agents has shown a slight increase from 45,295 in 1933 to 46,681 in 1934.

While the laws of the state do not require that the local mutual fire companies file licenses for their agents, the new hand-book, nevertheless, shows the great majority of these as the publishers have secured this information by direct calls on agents and by asking the companies to furnish lists, which is done in most cases.

Premiums in the State

During 1933 the fire companies collected \$14,043,821 in Wisconsin which was divided \$11,610,675 for the stock companies and \$2,215,391 for the mutuals. Casualty premiums totaled \$17,118,845 for all classes in 1933.

The new Wisconsin hand-book has a new feature this year of importance to the fire insurance companies. Besides showing the record of the fire companies in the state for the past six years there is also given the premiums and losses in Milwaukee for 1933. This is arranged by companies and includes the mutual as well as the stock.

The "agency section" of this new book shows the up-to-date list of all agents licensed to do business in the state as well as giving the members of the firm, companies represented, date established and other business done. The list of the Milwaukee Board solicitors is given alphabetically.

Miscellaneous information included in this new book are: List of adjusters, attorneys, hotels, field men of fire companies, general agents and managers of the life and casualty companies, town classification for fire protection and a resume of the insurance laws of the state.

The Wisconsin hand-book is issued by THE NATIONAL UNDERWRITER and is of interest to all companies and agents who do business in the state. It is the complete reference book on insurance and is constantly being used.

The Connecticut department has canceled the license of the Hamilton Fire of New York.

He admits now
he made a
terrible mistake



HE threw it all in the waste basket; all the valuable selling aids sent to him by his companies; all the productive ideas intelligently worked out by experienced hands; all the records of tested ways to increase his premium income.

He admits he made a terrible mistake. Perhaps his aggressive competitors made him see the light. We know for a fact that he finally tried out one of the "Springfield Group's" business building ideas, and it worked.

Now he doesn't throw away such suggestions, at least until he has had time to look them over to see if they may be locally workable. And his business is going ahead!

Is yours? If not, better investigate how the "Springfield Group" can help you build up your business. Absolutely no obligations attached to inquiries



THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES
SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY
Chartered 1849 Cash Capital, \$5,000,000.00
SPRINGFIELD, MASSACHUSETTS
GEORGE Q. BULKLEY, President
Hunting & Lininger, Mgrs., Chicago John C. Donlin, Mgr., San Francisco W. E. Findley, Mgr., Montreal
CONSTITUTION DEPARTMENT, Springfield, Massachusetts
SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts
MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan
NEW ENGLAND FIRE INSURANCE COMPANY, Pawtucket, Rhode Island

A GOOD QUESTION

**AMERICAN EQUITABLE ASSURANCE COMPANY
OF NEW YORK**

Organized 1918

Capital, \$1,000,000.00

**GLOBE & REPUBLIC INSURANCE COMPANY
OF AMERICA**

Philadelphia, Pa.

Established 1862

Capital, \$1,000,000.00

**KNICKERBOCKER INSURANCE COMPANY
OF NEW YORK**

Organized 1913

Capital, \$1,000,000.00

**MERCHANTS AND MANUFACTURERS FIRE
INSURANCE COMPANY**

Newark, N. J.

Chartered 1849

Capital, \$1,000,000.00

NEW YORK FIRE INSURANCE COMPANY

Incorporated 1832

Capital, \$1,000,000.00

SUSSEX FIRE INSURANCE COMPANY

Newark, N. J.

Organized 1928

Capital, \$1,000,000.00

Insurance buyers are paying more attention to insurance and the question of proper protection. If they are uncovered when a loss occurs they may blame their insurance adviser.

These things are far far secrets. Therefore some insurance counsellors have gone to the extreme of recording their opinions in writing when buyers refuse to follow sound advice on some necessary line of protection.

Such action is insurance in their own favor. It also emphasizes how serious is their desire to see that their clients enjoy adequate protection.

That type of interest and service will reward them with more business. How great the increase will be cannot be foretold, but it will follow.

Therefore ask yourself this question about every policyholder on your books: In case of fire or other loss against which he should be insured, will he be repaid by fire insurance companies and will he remain in business because they foot his bills?

CORROON & REYNOLDS

Incorporated

INSURANCE UNDERWRITERS

Manager

92 William Street

New York, N. Y.

**No Settlement in Missouri
Despite Agreement Rumors**

COMPROMISE MOVE DENIED

Agents Slow in Signing Contract With Howell, Which May Bring Him Big Returns

Although rumors have been published originating in Jefferson City, Mo., that the fire companies and the state of Missouri are negotiating a compromise settlement on the litigation, there is no such action being taken. The only negotiations that are under way are those involving procedure for returning the excess in the old 1922 rate case, which is being supervised by the Cole county court.

Reports indicate that the agents are slow in signing the agreement whereby C. M. Howell, Kansas City insurance attorney, will represent them in a suit to establish a lien for "earned commissions" against the impounded premiums under the 16½ percent rate increase litigation. Apparently a large number of agents feel that if the companies win the suit, they'll get the commissions anyway; if the companies lose, agents will be taking commissions out of the amount going back to policyholders, which "won't be so good," as one agent expresses it. The fear that if the companies win, agents will assume the status of other creditors in the case of companies in receivership, is not widely felt, it is said.

HOWELL HAS GOOD CONTRACT

ST. LOUIS, Nov. 14.—It now appears that C. M. Howell, Kansas City attorney, has obtained a much better proposition as special counsel for the members of the Missouri Association of Insurance Agents to protect their inter-

Two Commissioners Reelected



JESS G. READ



CHARLES F. HOBBS

With many upheavals in insurance departments likely as a result of the election last week, two veteran commissioners, Jess G. Read of Oklahoma and Charles F. Hobbs of Kansas, have nothing to worry about. Both were reelected for another term last week.

est in the commissions on the fire impounded premiums than was at first believed.

When the association at its annual meeting held in Jefferson City in October decided to appoint a special committee to retain counsel to represent the agents of the state in the rate cases it was generally believed that the attorney to be employed, if any, would receive a fee only in the event the companies should lose the rate litigation and the

agents were still able to collect their commissions.

However, the contracts sent out the past week for the agents to individually sign for the services of Mr. Howell show that he is to receive 7½ percent of all commissions received by the signing agent from the funds now or hereafter impounded in the state and federal courts in connection with the rate litigation regardless of the final outcome

(CONTINUED ON PAGE 34)

**Importance of Agent Is
Told by Commissioner**

FACTOR IN PUBLIC CONTACT

Col. H. P. Dunham Tells of Recent Changes in Talks Before Connecticut Agents

The importance of the agent in contacting the public was stressed by Commissioner H. P. Dunham of Connecticut at the annual meeting of the Connecticut Association of Insurance Agents in Hartford. Every agent must be worthy of the public's confidence. "If he proves unworthy he undermines his client's faith not only in him as an agent and man, but also in the great institution of insurance. For to the public the agent is the company, and the company is no better than he is. The agent who keeps the faith, who serves his client well and faithfully, does much to spread the gospel of insurance and contribute to its growth."

Decided Development

No agent should undertake to sell an insurance policy until he thoroughly understands the forms of insurance and makes a full study of his prospect's needs. The study of insurance should be never-ending as business is in a state of flux. New forms, new methods, new conditions are constantly developing. The more he knows about insurance the better an agent is able to serve the public and the company he represents. An agent cannot feel that he is thoroughly equipped unless he is constantly studying insurance, said Commissioner Dunham.

There has been a decided development in the agent's attitude toward insurance education and many agents now read two or more insurance periodicals because they wish to keep up on the



NORTH STAR INSURANCE COMPANY

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

November 15, 1934

THE NATIONAL UNDERWRITER

7

news and the developments of the business in order to better serve their clients.

The agency qualification law in Connecticut has done much toward weeding out the inefficient and ignorant agent and the greater care with which the companies are choosing their agents these days is also showing its effect. Commissioner Dunham said that the agents in Connecticut must pass a stiff written examination and these examinations are being made increasingly difficult. Last year 1,821 examinations were given and 305 failed, while the year before out of 1,985 examinations 454 failed.

The companies have done much and are still doing a great deal in improving the quality of agents. They have learned that incompetent and inefficient agents are costly and injure the prestige of the companies and produce unprofitable business. Many companies are selecting agents with considerably more care and are spending much time and money in training them.

Mr. Dunham said that for some time he has felt that the insurance business can do better with less agents. There would be less fierce competition and this undoubtedly has given rise to unethical practices. The insurance department has no legal authority to restrict the number of agents and the answer rests entirely with the companies.

Because of the stricter qualifications Mr. Dunham has been obliged to revoke or suspend comparatively few licenses in recent years.

Detroit Agents in Successful Meet

(CONTINUED FROM PAGE 3)

or roughly a half million dollars, in the past year. These figures bespeak our attitude more eloquently than I can.

"There are various matters between companies and agencies that are of a controversial nature. I hope and trust that the time will come when company executives and agents can sit around a conference table and discuss these problems frankly and openly in the proper spirit. You must bear in mind the fact that many of these matters have been many years in developing and cannot be adjusted satisfactorily to all concerned in a short time. We must have patience and faith. I believe that the time will come when we can iron out the evils that have crept into the business during the course of many years so that we will all be satisfied."

The agents have found the company executives unselfish and willing to make sacrifices for the good of all concerned, said Mr. Carter. He pointed out that the Detroit board has grown from a membership of 12 to 200 agents who represent stock companies only. He urged the agents to deal with the strong, reliable companies offering standard commissions, rather than with companies offering high commissions. He pointed out that in 1917 his agency was approached with a 35 percent commission proposition by a fire carrier that passed out of the picture last year.

Koeckert Sees Quick Recovery

Mr. Koeckert remarked upon the "astounding recovery" made by Detroiters from the depression, asserting that the spirit of optimism that pervades the city today is in sharp contrast to the apathetic attitude of a year or two ago.

"The casualty business is of comparatively recent origin as compared with the fire business," said Mr. Behrens. "In casualty lines we do not deal with the fixed, measurable hazards of the fire business but are confronted with variable hazards that are difficult to anticipate. The hazards have accelerated rapidly in the past few years. The casualty companies sometimes seem to be vacillating in their policies, but if we vacillate in the direction of safety, that is to our credit. By reason

of its variable hazards, the casualty business has passed through deep water of late but is now on a firm foundation."

Messrs. Bell and Buck extended their congratulations to the Detroit and Michigan agents for the manner in which they have come through the depression period with flying colors. Mr. Grow, speaking as head of the state agents' organization, urged a closer tie-up between the Detroit and Michigan associations.

The **Jones-Brockett Agency**, Des Moines, has been dissolved. R. W. Brockett has launched the Brockett Insurance Agency at 308 Securities building, Des Moines.

Globe & Rutgers to Resume Business Early Next Month

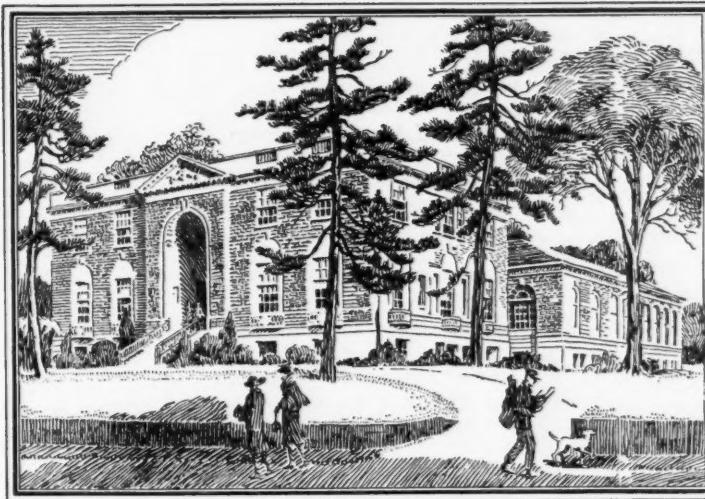
NEW YORK, Nov. 14.—The Globe & Rutgers expects to be released from rehabilitation and reenter the business early in December, it was announced by the company today.

With the approval of the Superintendent Van Schaick and the Reconstruction Finance Corporation, the company will make application before Supreme Court Justice Frankenthaler Nov. 23 for permission to declare the plan operative.

At a hearing before the supreme court

this morning the company was granted an extension of time in which to declare the plan operative. The new extension expires Nov. 27. The company explained to the court that under the plan it is necessary to give notice through publication, both in this country and abroad, eight days before authority can be granted to declare the plan operative. This notice is being published Thursday day of this week.

The **Freer-Heene Company** of Cleveland has changed its name to the Freer-Heene-Wasson Company. Incorporators are E. J. Freer, E. F. Heene and R. H. Wasson. Offices are in the Union Trust building.



Conservative as New England Progressive as America Security of New Haven

80,000 spectators nervously grip the edge of their seats—they rise as one—up goes a mighty roar—no, no they didn't make it—all eyes are focused on 22 men—there they go again—yes, they did it—they're over—Yale wins—football holds the grip of America.

In New Haven football is king during the Fall, as this is the seat of Yale University, one of the great educational institutions of the country. At Number 175 Whitney Avenue, directly across the street from Yale's

famous Peabody Museum, is the Home Office of the Security of New Haven, one of New England's substantial fire insurance organizations.

Like Yale University, the Security of New Haven, founded in 1841, is a permanent, enduring and strong New England institution. It will continue through the years as a company giving dependable stock fire insurance protection and service to its policyholders and agents.

1841
Security
Insurance Company
OF NEW HAVEN, CONNECTICUT

AFFILIATE COMPANIES:

*The Connecticut
Indemnity Company*
NEW HAVEN, CONNECTICUT

WESTERN DEPT.: ROCKFORD, ILL.

*The East and West
Insurance Company*
OF NEW HAVEN, CONNECTICUT

*California Union
Insurance Company*
SAN FRANCISCO

PACIFIC COAST DEPT.: SAN FRANCISCO, CALIF.

NEWS OF FIELD MEN

Ohio Field Now Rearranged

Rhode Island Group Announces Its Setup After Making Freeman Wilson Cuyahoga County Manager

The Rhode Island group has rearranged its Ohio territory, following the appointment of Freeman Wilson, special agent in the northwest part of the state, as Cleveland and Cuyahoga manager. E. W. Kobman, special agent of the Phoenix Assurance in Wisconsin, becomes state agent for the Rhode Island and Merchants of Providence for all Ohio except Cuyahoga county. Mr. Kobman is returning to Ohio, he formerly having traveled in that field. He replaces Clarence Hawk, who supervised northeastern Ohio, recently resigned, and J. Frank Smith, supervising southern Ohio and Indiana. Mr. Smith is being transferred to Indiana.

Mr. Wilson's headquarters are at 1102 Standard Bank building, Cleveland, and Mr. Kobman's at 1015 Huntington Bank building, Columbus.

Cherry With Great American

J. O'Neil Cherry has been appointed inspector of the Great American group with headquarters in Montreal. He started with the Royal and for the last three years has been connected with the Alliance of Philadelphia as inspector.

Police Captain Talks on Crime

NEWARK, Nov. 14.—Crime is nothing new, crime can never be eliminated, but society can help to keep it down, said Captain John Kaller of the Newark police department, at the dinner of the New Jersey Special Agents' Association. Two new members were admitted to

membership. They were Nadden Gray of the General Fire of Seattle and Walter Cranston of the National Liberty. It was also announced that at the December meeting of the association, there would be a bowling match for which three prizes would be awarded.

Ohio Field to Honor Hukill

The Ohio field men will give a complimentary dinner to Ralph W. Hukill of the Fireman's Fund, at the Columbus Athletic club in Columbus on the evening of Nov. 26, in honor of his being elected grand keeper of the golden goose egg of the Blue Goose. W. J. Gilsdorf of the North America is most loyal gander of the Ohio pond under whose auspices the dinner will be held.

Minard Succeeds Graves

Ralph E. Minard has been appointed special agent of the North British fleet at Montgomery, Ala., succeeding the late W. W. Graves, who died last July after serving these companies for more than 20 years.

Mr. Minard has had considerable field experience. He was assistant to Mr. Graves about a year prior to the latter's death.

Derby New Jersey Speaker

J. G. Derby of the Eastern Underwriters Association staff addressed the New Jersey Field Club at Trenton Nov. 13.

Field Group on River Trip

A number of Louisville field men and their wives were guests of Charles Walker of the Kentucky Actuarial Bureau on his cabin cruiser for a trip up to Six Mile Island. Mrs. Tom G. Wilds,

wife of the Hartford special agent, was the luckiest fisherman in the bunch.

Hoover Gets the Yorkshire

Charles B. Hoover, appointed Indiana state agent for the Yorkshire group, succeeds the late J. R. Stevenson. Since the death of Mr. Stevenson some months ago, the Indiana territory has been supervised by Agency Superintendent S. K. Gray, who assumed charge pending the selection of a permanent field man. Mr. Hoover, who has established headquarters at Indianapolis, will shortly spend some days at the chief offices of the group in New York City.

New Ohio Field Club Members

R. A. Bright of the Royal and A. J. Charron of the Travelers Fire, both of Cleveland, are new members of the Ohio Fire Underwriters Association. Charles B. Corry, Cleveland, retired state agent of the L. & L. & G., was present at the November meeting and gave a short talk.

Will Inspect Marshall, Mich.

At least 30 field men are expected to participate in the inspection of Marshall, Mich., by the Michigan Fire Prevention Association Nov. 20. H. K. Rogers, Western Actuarial Bureau, will speak at luncheon group and will put on his "fire clown" act in the schools.

Farm House Party at Inspection

The Fire Prevention Association of Ohio inspected Middletown Thursday. R. E. Verner and H. K. Rogers were among the speakers. A farm house party was given under the auspices of the Cincinnati puddle of the Blue Goose.

Ladies Night for Wichita Puddle

The sunflower puddle of the Blue Goose is holding its first annual ladies night Nov. 17 in Wichita. All members of the Kansas pond have been invited

and several reservations have been received from Topeka and Kansas City.

Field Notes

Bertram Lutz, Milwaukee, Wisconsin, state agent London & Lancashire, and Mrs. Lutz announce the birth of a son. The Field Club of Cleveland will hold its next meeting Nov. 19. William Rardin and Harry Howarth are in charge of the program.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Nov. 13, 1934

Stock	Par	Share	Div. per	Bid	Asked
Aetna Cas.....	10	2.00*	.50	53	
Aetna Fire.....	10	1.60	42 1/2	44	
Aetna Life.....	10	.10	15 1/4	16 1/4	
American, N. J.	2.50	.50	10 1/2	11 1/2	
Amer. Surety....	25	.50	29	30	
Automobile, Conn.	10	1.00	23	25	
Boston100	16.00		500	510	
Continental As...	10	2.00	29	31	
Continental Cas.	5	.60	12	13	
Continental Ins.	2.50	1.20	31 1/2	32 1/2	
Fidel-Phenix ...	2.50	1.20	32	32 1/2	
Fire Assn.....	10	2.00	51	52	
Fireman's Fund.	25	3.00	69	70	
Fireman's F. Ind.	10	...	26	31	
Firemen's5			5 1/4	5 3/4	
Franklin Fire...	5	1.05*	24	25 1/2	
Globe & Rutgers.	25		43	47	
Great American.	5	1.00	19 1/2	20 1/2	
Hanover10	1.60		33 1/2	34 1/2	
Hartford Fire...	10	2.00	58	59	
Home, N. Y.	5	1.10*	26	27 1/4	
Ins. Co. of N. A.	10	2.00	51 1/2	53	
Maryland Cas....1			1 1/2	2	
Mass. Bonding...	12.50	...	13 3/4	15	
National Cas.	10		6 1/2	7 1/2	
National Fire...	10	2.00	57 1/2	59	
National Liberty.	2	.25*	6 1/2	7 1/2	
National Union.	20	1.00	107	110	
New Amst. Cas.	5		6	7	
New Brunswick.	10	1.00	24	25 1/2	
N. Hampshire F.	10	1.60	39	41	
North River....	2.50	.75*	22	23	
Phoenix, Conn....	10	2.00	68	69	
Preferred Acci.	5		9	10	
Prov. Wash....10	1.00		30	31	
Security Ins.	1.40	30	31	
Sprgld. F. & M.	25	4.50	100	102	
St. Paul F. & M.	25	6.00	160	163	
Travelers100	16.00		388	394	
U. S. F. & G.	2		4 1/2	5 1/2	
U. S. Fire.....4	1.50*		41	42	

*Includes extra.



Fulfilling Its Purpose

Organized in 1848 for the protection of policyholders, the Ohio Farmers Insurance Company ever since has been engaged in carrying on that purpose.

With financial reserves adequate for all emergencies, the Company's life has been lived and its history written through various epochs of the nation.

Almost forgotten are many of the nation-wide vicissitudes through which it passed.

Filling its purpose today as ever, the Company is meeting all legal obligations in handling insurance.

The Company's statement of December 31, 1933, indicates a very sound condition.

**FIRE
TORNADO**

**OHIO FARMERS
INSURANCE CO. • LEROY, O.**

**AUTO-
MOBILE**

VIEWED FROM NEW YORK

By GEORGE A. WATSON

BEST TO CONTINUE RATINGS

The Alfred M. Best Company of New York has notified its subscribers that it will continue the rating of insurance companies as it has done in the past. The subject came to a head when a special committee of the American Life Convention met with Mr. Best and his associates, and presented reasons why ratings of life companies should not be made. Mr. Best declares that over 98 percent of the users of his reports and ratings were very much in favor of them being continued. This, he says, included agents, brokers, banks, trust companies, large business concerns and policyholders.

* * *

RESULT OF THE ELECTION

Insurance officials are delving into the election results of last week and for the time being are assuming a prophetic attitude. There is not much that can be predicted in their estimation. Whether the next Congress will veer to the left or right is causing concern.

The labor element of course will be more insistent than it has been and this will be noticed especially in the legislature. While radicalism failed to carry its program in California, it rallied a surprisingly large vote. In other states too the radical side made itself felt. The insurance people naturally are as much interested in taxation as anything else and with the states and nation hungry for revenue, they anticipate many bills to increase taxes or to create new tax resources. The natural tendency, of course, with plans for social insurance of various kinds in the air will be to increase personal and corporate income taxes as well as property tax.

* * *

CRUM & FORSTER SHARES

Crum & Forster Insurance Shares has declared an extra dividend of 10 cents a share each on the \$10 par value common A and \$10 par common B shares, together with the regular quarterly dividend of \$1.75 a share on the 7 percent preferred and 15 cents on the par value \$10 A and B common shares.

* * *

WIGGIN WITH THE PEARL

The Pearl Assurance group announces that C. B. Wiggin has become associated with George Stevens, United States general agent of the fleet in New York. Mr. Wiggin has had extended banking and industrial experience. He has been a director of the Rossia and the Excess of America. He is a director of the Chicago Junction Railway, Union Stock Yards Company of Chicago and the Western Tablet & Stationery Corporation.

* * *

COMMENT ON THE DECISION

Company officials are commenting on the decision of the appellate division of the supreme court of New York which recently held that a broker was entitled to keep the commission on the entire premium, although the policyholder had canceled the policy. The case was the Scottish Union & National and Standard of New York vs. Gerry-Guthrie & Co., a brokerage firm. A previous decision had been rendered by the court which held that the broker was entitled to the full commission on a policy canceled by the company. That was the case of the Indemnity Insurance Company of North America vs. C. W. Ryan & Co. Officials seem to think that while a court might be justified in finding that a broker could retain his commission on the unearned premium, when the cancellation came from the company, they were startled to see the court take the same attitude when a policyholder canceled. It is likely that the companies interested in the case will take an appeal.

The New York "Journal of Commerce" in commenting on the case says: "It gets back to the question: When

is a commission earned? Is it when the broker has submitted the policy to the company or is it when all the terms of the policy contract have been complied with? If the latter is so, it would seem that the commission on the full premium is not earned until the policy has run its full term, in accordance with the contract. A company has not earned

the full premium until the policy has expired and must carry an unearned premium reserve to provide for repayment to assured when policies are canceled before their expiration.

"Another angle is this: If a broker, or agent for that matter, is permitted either by the company or the law to retain the commission on the premium for a one-year policy and that policy is canceled at the end of six months, isn't that producer actually being paid excess commissions because the company has earned only a portion of the premium and must return the remainder while the

producer keeps the commission on the full amount? So long as he keeps the full commission he is being paid a certain percentage of a premium which the company does not finally have, which amounts to him getting a higher commission than would result from the regular percentage of commission being applied to that portion of the premium which the company earned."

M. W. Carruth, who is known as the oldest insurance man in point of service in Tampa, Fla., has joined the Woodward-Crowder agency of that city and the name of the firm has been changed to Woodward-Crowder-Carruth.



"THE COOK SAYS SHE'S SORRY, SIR, BUT THE STEAK IS A LITTLE OVERDONE"

Barring accident or emergency, one thing we never overdo is to make demands on our agents. Ever since the first Agricultural agent was appointed a reputation has been growing that here is one Home Office which holds correspondence to a minimum . . . which wastes no time on reports or investigations unless they are vitally necessary.

Our files hold many letters from agents which reflect a fine spirit of loyalty and cooperation . . . and which, in almost every instance, speak of this feature.

* * *

Both the 81-year old Agricultural and the Empire State (under identical management) are interested in the appointment of more first rank agencies. If you have a place . . . or a need . . . for a company of unquestioned financial strength, won't you please write us? We shall be glad to have our nearest representative call . . . and he will give you the names of some of our good agents in your state upon whose recommendation we shall be glad to rely.

Agricultural
Insurance Company,
of Watertown, N.Y.

Empire State
Insurance Company,
of Watertown, N.Y.

Every type of property insurance for industry and the home.

Merger of Rating Bodies in New England May Be Made

BOSTON, Nov. 14.—Progress in the proposed merger of the New England Fire Insurance Exchange, the Boston Board and the Providence Board has proceeded to such degree as to warrant the prediction of their completion about the first of the year. The enlarged organization, to be known as the New England Fire Insurance Rating Association, will supervise rating in the New England territory, its governing committee to be composed of company executives domiciled in the several states under its jurisdiction. While the New England Exchange and the Providence Board will cease to exist, the Boston Board will continue, and as now exercise authority over brokerage, sub-agency and kindred regulations in its territory.

Death of C. M. Goddard

C. M. Goddard, formerly secretary of the New England Insurance Exchange, who did much to have the national electrical code adopted, died this week at Summit, N. J., where he had made his home for several years following his retirement in 1925. He was born in Claremont, N. H., in 1856 and was graduated from Dartmouth. He engaged in

electrical work at Plainfield, N. J., for a number of years. He was appointed secretary of the New England Fire Insurance Exchange in 1890. One of his nephews is Dana Pierce, president of the Underwriters Laboratories. Another is E. M. Goddard, who is in the claim department of the Standard Surety & Casualty of New York. Another is F. W. Goddard, who is connected with Johnson & Higgins.

Canadian Companies May Retire

If the offer of reinsurance by the Provident Assurance is approved by stockholders of the British Colonial and the Trans-Canadian at special meetings in Montreal, Nov. 20, the two latter named companies will retire from business.

Advertising Conference Rally

The mid-year meeting of the Insurance Advertising Conference will be held at the Hotel New Yorker, New York, Dec. 12. This is the day previous to the annual meeting of the Association of Life Insurance Presidents.

Clarence Hubbard to Speak

Assistant Secretary C. T. Hubbard of the Automobile of Hartford addresses the New York Fire Insurance Examiners Association Thursday evening of this week on "Reporting Covers."



into the
progressive
spirit of
these times

Will Wrightem
FIELD CORRESPONDENT

THE YORKSHIRE INSURANCE CO. LTD.
LONDON & PROVINCIAL MARINE & GENERAL INS. CO. LTD.
SEABOARD FIRE & MARINE AND THE YORKSHIRE INDEMNITY CO. OF N.Y.
90 JOHN STREET NEW YORK CITY

L. E. Falls Recovering From Serious Accident

DENVER, COLO., Nov. 14.—Laurance E. Falls, vice-president of the American, who was very seriously injured in an automobile accident, has been in a hospital here for three weeks but is now being taken to Colorado Springs for several days to recuperate before being taken home to Newark. Mrs. Falls came on as did Mrs. Paul Sommers. Mr. Falls and Manager John L. Reams of the Rocky Mountain department of the American were motoring toward Estes Park. They were on a mountain road and in the effort not to run into a car ahead of them Mr. Reams turned to the left. Another car coming from the other direction hit the Reams' machine broadside. Mr. Falls had a rib broken, a lung punctured and there was a slight concussion of the brain, leaving him for the time being helpless on one side. The blood clot, however, evidently is clearing up although Mr. Falls is unable yet to walk. It is felt now, however, that he is on the high road to recovery and in due season can be taken home.

Canadian Adjustment Ruling

In filing 1934 returns with the Canadian departments, fire and casualty companies' fees paid to independent adjusters, out-of-pocket expenses incurred by their own adjusters and legal fees incurred in claim handling are to be treated as adjustment expenses, according to a Dominion ruling. No allowance will be made for salaries or overhead expenses of head office or branch division loss departments.

Kansas Honors McIntosh

TOPEKA, KAN., Nov. 14.—At the Kansas Blue Goose dinner dance and bridge last night, with nearly 100 in attendance, H. O. McIntosh was presented a past most loyal gander's button by Most Loyal Gander Byron R. Ward.

The Kansas Fire Underwriters Association met yesterday. The Kansas Fire Prevention Association will inspect Leavenworth Nov. 21. J. Burr Taylor, St. Louis, will deliver the main address at the banquet.

E. W. Goodwin to Wed

E. W. Goodwin of San Diego, Cal., head of the Goodwin Insurance Agency and son of the late Percy Goodwin, former president of the National Association of Insurance Agents, will be married Saturday in St. Paul's Episcopal Church in his city to Miss Mary A. McKee.

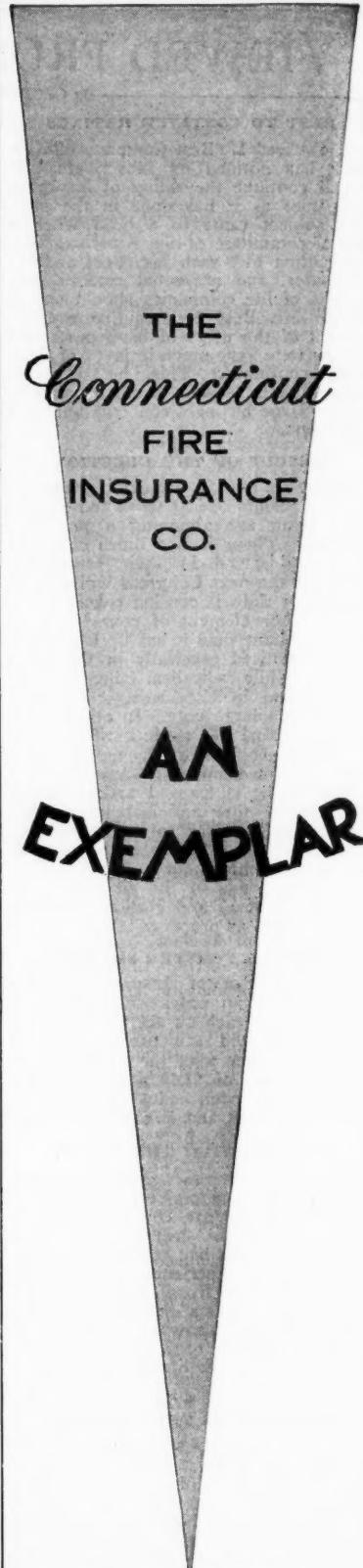
Analyzes Ft. Wayne Conditions

In reporting on Fort Wayne, Ind., the National Board finds the gross fire loss for the past five years was \$890,011, the average loss per fire being \$173 and the average loss per capita \$1.56, "both very low figures."

The water supply is from new works of adequate capacity and mainly reliable. The quantities for fire protection are adequate in most districts, but limited by small mains in some important sections. The fire department is efficient but lacks training and is deficient in some equipment. The fire alarm system is mainly adequate and reliable.

In much of the congested value district, construction weak in fire restrictive features makes serious group to block fires probable. While low heights predominate, streets are only of fair width. The fire fighting facilities are fairly strong but there is little structurally to prevent a fire under unfavorable conditions, from involving much of the district. In the minor mercantile district, the hazard is local. Group fires are probable in manufacturing districts.

Miss Jo Doescher of the John J. Fischer Agency, Cincinnati, has returned to the office after an attack of bronchial pneumonia.



THE CONNECTICUT FIRE INSURANCE CO.
of Hartford, Conn.

THIS COMPANY PUBLISHES SEVERAL EDUCATIONAL FOLDERS. YOU MAY HAVE ANY OR ALL OF THE THREE LISTED BELOW, BY INDICATING YOUR CHOICE ON THE COUPON AND MAILING IT TO THE OFFICE OF THE COMPANY AT 30 TRINITY ST., HARTFORD, CONN.

- COINSURANCE CLAUSE - A BRIEF, POPULAR EXPOSITION OF AN IMPORTANT FEATURE OF MANY INSURANCE CONTRACTS.
- RIOT AND CIVIL COMMOTION INSURANCE - WHAT IT IS, WHY IT IS AND HOW IT WORKS, TOLD IN A CLEAR, CONCISE STYLE.
- USE AND OCCUPANCY INSURANCE - A SHORT EXPLANATION OF THIS COMPLEX SUBJECT.

CHECK THE ONES YOU WANT AND FILL OUT COUPON

NAME..... N.U.

TITLE.....

ADDRESS.....

CITY..... STATE.....

New Chief Executive of Globe & Rutgers on Hand



FRED A. HUBBARD

Fred A. Hubbard of Fort Myers, Fla., is recalled from retirement to again enter the fire insurance field as an executive, he being new president of the Globe & Rutgers. He spent many years at the Hanover as field man, assistant western manager and vice-president.

HOLC District Manager in Talk Before Cincinnati Board

CINCINNATI, Nov. 14.—Charles E. Freeman, in charge of business promotion work at the home office of the Springfield Fire & Marine, will address the first of a series of three meetings held under the auspices of the Cincinnati Fire Underwriters Association for solicitors of Cincinnati agencies, Nov. 22. Mr. Freeman plans to give a demonstration of sales methods, showing the dangers encountered if no systematic procedure is followed.

S. M. Swisher, Cincinnati district manager HOLC, addressed the association members on the work of the HOLC. He said, in reviewing the work of the corporation, that it had received 1,700,000 applications with a volume of \$5,500,000,000 since it was established in June, 1933. Up to Oct. 26, 1934, it had approved 600,000 applications for \$1,900,000,000. The applications averaged over \$200,000,000 per month the first six months of this year. Congress has authorized \$3,000,000,000 for this purpose.

The corporation will loan up to 80 percent of the appraised value of the property. It requires fire insurance to the full amount of the property's insurable value and one-third of the value on windstorm insurance. After the application has been checked by the closing attorney and it is found that additional insurance is needed, he is required to notify the agent as to the additional amount needed. The insurance does not take effect until the corporation has an insurable interest, therefore the policy is dated ahead to allow sufficient time to permit the final approval of the disbursing office which in Ohio is located at Columbus. If the application is rejected, the insurance is, of course, void. Unpaid taxes, loan and other expenses are taken into consideration in the loan.

The closing attorney is required to examine the papers personally, or, if this is not possible, by certificate, after contacting the present mortgagee, determining the amount of insurance in force, the expiration date and the agent writing the business. Mr. Swisher said that the HOLC does not loan to individuals who have requested the loan simply to obtain a low rate of interest.

for 15 years nor to those individuals able to pay who have purposely defaulted to the present mortgagee.

I. M. U. A. Permits Writing Fine Arts on 3-Year Term

The Inland Marine Underwriters Association now permits writing fine arts policies for three-year term at two and a half times annual rate, if involving values of more than \$100,000. The news of the I. M. U. A. action permitting special rating of fine arts risks with values over \$100,000, in place of the minimum

limitation of \$750,000 heretofore in force, was presented in THE NATIONAL UNDERWRITER two weeks ago.

Ontario Now Self-Insurer

TORONTO, Nov. 14.—Premier Hepburn announces that the province will henceforth finance its own insurance through establishing a sinking fund based on the average loss over a number of years instead of paying about \$260,000 annually in premiums. The government and the Hydro-Electric Power Commission of Ontario are acting together on the scheme. For the present the only outside insurance left

in force would be on the old block of the Parliament buildings, on which age and construction methods increase the risk.

Shirley Moisant Is Injured

S. E. Moisant, well known local agent at Kankakee, Ill., secretary of the Illinois Association of Insurance Agents and editor of "Association News," had his collar bone broken in an automobile accident about eight miles from his city the other day. As a consequence he is confined to his quarters in the Kankakee Hotel for the time being.

ARE you finding it slow going these days?...Are you being put off until "next week"?...Do you find many good prospects excellent procrastinators?...Would you like to be able to pep things up a bit?

Then read this A.D.T. insurance platform s-l-o-w-l-y...

A.D.T. offers—to the client, protection of the continuity of his business combined with sound, substantial economy—to agent and broker, continuity of income and of client's goodwill—to the insurance company, continuity of premium income, safeguarded against losses, and the ability to carry larger individual lines.

After all, the man with the best chances to liven things up is the man with the most constructive story ...the man who goes out to SERVE as well as SELL.

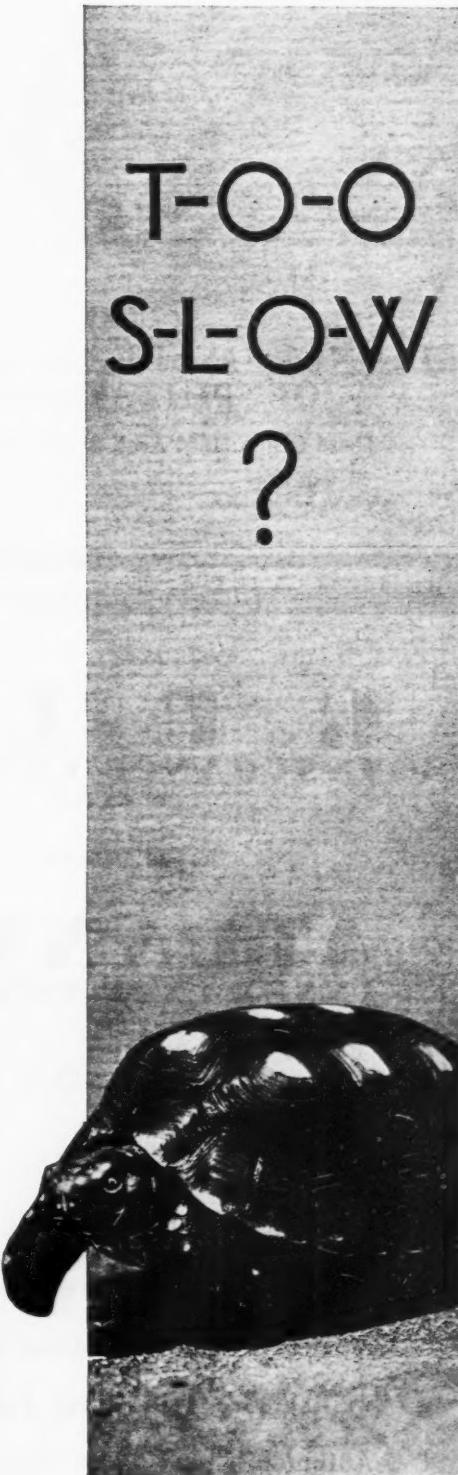
May we send you literature on A.D.T. Protection Services...It will help speed things up for you by giving you timely, forceful and convincing arguments for increasing the safety of property.



CONTROLLED COMPANIES OF

AMERICAN DISTRICT TELEGRAPH CO.
155 SIXTH AVENUE • • NEW YORK, N.Y.

ADT Protection
against
FIRE • BURGLARY • HOLDUP
A NATION-WIDE SERVICE



"Do you drive in the rain?"

asks the Alliance national advertising for November.

Every motorist must answer "Yes," and at once appreciate his very real need for Collision Insurance.

He is told to "Ask the Alliance Agent."



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

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209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street



GULF INSURANCE COMPANY

(Rated A Plus)

and Affiliated

ATLANTIC INSURANCE COMPANY

(Rated A)

DALLAS, TEXAS

● These financially sound and reputably managed companies give business getting service in Illinois, Indiana and Ohio—writing Fire, Windstorm, Full Coverage Automobile and Plate Glass Insurance

AS SEEN FROM CHICAGO

REDMOND IS BROKERS' PRESIDENT

R. M. Redmond, of Redmond & Co., Chicago, was elected president of the Insurance Brokers Association of Illinois at the first meeting of the new board last week. He has been a director for some time, member of various committees and a willing and able worker. Vice-presidents elected are Gail Reed, C. A. Berger, A. J. Gallagher, J. A. Mudd, Jr., and Joseph Gill. Angus Chassels becomes secretary and J. C. Shepherd was reelected treasurer. C. A. Bradley, former Association of Commerce man, was engaged by the directors as a full-time executive secretary. He has taken an office in room 510 Insurance Exchange.

* * *

ILLINOIS INSURANCE CODE

The proposed insurance code for Illinois is now being whipped into shape by the advisers of the state legislative commission, which is sponsoring it. The commission consists of Senators Barbour and L. A. Williams and Representatives George Fitzgerald and Ben Adamowski of Chicago and Gus Johnson of Bloomington. It was thought that the hearings could start about the middle of this month but that is found impractical as the work could not be completed. Insurance Director Palmer will attend the meeting of the National Convention of Insurance Commissioners at St. Petersburg, Fla., the first week of December. There may be one hearing before he goes but the likelihood is that hearings will not start until his return from the meeting.

* * *

SAVING SHORT RATE PENALTIES

Walter L. Kraeckmann of Goddard & Co., Chicago, raises a point new to many insurance men. It is commonly taken for granted that when policies are to be cancelled short rate, those longest in force should be selected for cancellation in order to keep down the short rate penalty. It is probably true that the penalty decreases in proportion to the earned premium as the policy grows older, but the following calculation shows that the money penalty on the assured is greatest about mid-term on an annual policy:

	Earned Prem.	Penalty	Pro Short	on
	Pro Rata	Rate	Assured	%
1 day	0.274	2	1.726	
5 days	1.370	7	5.630	
10 days	2.740	20	7.260	
15 days	4.110	13	8.890	
30 days	8.219	20	11.781	
45 days	12.329	27	14.671	
60 days	16.438	30	13.562	
75 days	20.548	37	16.452	
90 days	24.658	40	15.342	
105 days	28.767	46	17.233	
120 days	32.877	50	17.123	
135 days	36.986	56	19.014	
150 days	41.096	60	18.904	
165 days	45.205	66	20.795	
180 days	49.315	70	20.685	
6 mos.	50	70	20.000	
195 days	53.425	73	19.575	
210 days	57.534	75	17.466	
225 days	61.644	78	16.356	
240 days	65.753	80	14.247	
255 days	69.863	83	13.137	
270 days	73.973	85	11.027	
285 days	78.082	88	9.918	
300 days	82.192	90	7.808	
315 days	86.301	93	6.699	
330 days	90.411	95	4.589	
345 days	94.521	98	3.479	
360 days	98.630	100	1.370	

These figures are on the National Board short rate table.

* * *

SEPARATION ISSUE UP

The first meeting of the joint subcommittee of the Western Underwriters Association and the Chicago local agents to discuss the separation matter took place last week. The local agents' committee consists of L. E. Yager, O. E. Aleshire and J. I. Naughten. The company committee is C. R. Tuttle, North America; W. D. Williams, Security of Connecticut, and E. A. Henne, America Fore.

The joint sub-committee is the outgrowth of the meeting of a larger joint

committee. It was found advisable to assign the discussion to a smaller committee. There was a frank discussion of many subjects relating to the particular issue. All agreed that some steps should be taken to improve Chicago conditions. Some years ago a joint committee representing the Chicago Board, Western Union and Western Insurance Bureau went into the subject of fixing maximum commissions for class 1 agents and also looked into the matter of strengthening the disciplinary machinery. While a report was filed, it was not adopted by all three organizations. This now is being resurrected for the benefit of a joint committee to see just what was done at that time.

At the recent meeting of the Chicago agents, when all the mixed agencies were invited, a feeling of patriotism for and fealty to the Chicago Board was built up and while some agents at that time were on the point of separating, they now feel that it is incumbent upon them to stand with their fellows and are not taking any action. The joint committee will hold further conferences as no conclusions were reached at the first meeting.

It is likely that the sub-committee of agents will meet with the parent committee before the next meeting with the sub-committee of the managers. The main features brought out in the meeting of the joint sub-committee will be presented so that the views of the agents can be secured.

* * *

EXAMINERS IN MANAGERS NIGHT

The annual managers night of the Fire Insurance Examiners Association of Chicago will be held Nov. 15 at the Board of Trade grill in Chicago. F. E. Doherty, first deputy state fire marshal, will talk on the successful arson drive in that city, his subject being, "Uncovering the Arson Ring."

* * *

F. S. DANFORTH CRITICALLY ILL

F. S. Danforth of Chicago, president of the Millers National, who suffered two attacks of retinal hemorrhage, is now in a more critical state at his suite in the Sovereign hotel. Mr. Danforth had a relapse Friday night and has been on the brink ever since.

* * *

LIFE MEMBERS MEETING

Over 100 have accepted invitations to the annual meeting of the Life Members Society of the Fire Underwriters Association of the Northwest to be held at the Hotel LaSalle in Chicago next Monday evening. W. B. Flickinger of Chicago, associate manager of the North America, is president of the organization and will preside.

* * *

BUCKMAN'S MOTHER DIES

Royal A. Buckman, Illinois state agent of the Royal, is bereaved by the death of his mother this week at her home in Wilmette, Ill. Funeral services were held on Wednesday.

* * *

Milwaukee Fire Prevention School

MILWAUKEE, Nov. 14.—Frank R. Daniel, Milwaukee, chief engineer Fire Insurance Rating Bureau of Wisconsin, is chairman of the fire prevention school of the Milwaukee Association of Commerce fire prevention section, which opens Nov. 20, with T. A. Fleming, supervisor of conservation National Board, discussing "The Business End of a Match." Subsequent weekly meetings will hear A. L. Corey, engineer Travelers Fire, on "Burning Up Jobs;" F. C. McAuliffe, chief Chicago fire insurance patrol, on "Keeping Home Fires Burning," and Chief Peter Steinkellner of the Milwaukee fire department, on "Sounding Prompt Alarms."

November 15, 1934

THE NATIONAL UNDERWRITER

13

S. E. U. A. Mutual Rule Is Changed

(CONTINUED FROM PAGE 1)

and all other agency charges, excepting only maps, map corrections, advertising as required by law, and taxes."

President Barnett said the territory had good weather conditions the last year, while most other agricultural sections were very unfortunate, this bringing prosperity to the farmer in most sections of S. E. U. A. territory. Premiums are approximately 10 percent higher, and losses the lowest ever experienced.

Due to the low loss ratio, however, he said, there is serious competition from mutuals and non-association companies. It is imperative members not become restive, because the loss record undoubtedly will go back to a normal or higher figure, Mr. Barnett said. The rate level continues downward and with low loss ratio nothing can be done to stop it.

Negotiations with some of the local mutuals have been disappointing, Mr. Barnett said, but most of these have been friendly, and they are anxious to cooperate.

The amendments to the mutual rule, he said, should do away with most of the friction that has developed in the past.

Companies Chafed Under Rule

The original mutual rule adopted two years ago, while sanctioning continuance of representation by such member companies as were then in local agencies together with mutuals, prohibited additional appointments, existing conditions being "frozen." Many member offices held this to be discriminatory and chafed under it, arguing that it unfairly restricted their opportunity to secure desirable agency connections.

The justice of this contention was recognized by the S. E. U. A. through amending the rule by granting the same right to all companies. An agent of any mutual organized and chartered in any state under the jurisdiction of the S. E. U. A. may accept the representation of an association company as well and receive the regulation 20 percent flat commission. Should the local agent, however, represent a foreign non-stock company, he will be paid only 15 percent for his business, on and after Jan. 1, 1935.

It is estimated that 80 percent of the business secured by mutuals in association territory is carried by the Southern Mutual and Atlantic Mutual, two ultra-conservatively managed companies, neither of which has been a disturbing element in the field nor is likely to be.

Century of Progress Closes With Splendid Loss Record

With the closing of the Century of Progress the insurance on the buildings ends. Coverage has been gradually reduced as the closing date neared. Last year the amount of insurance on the buildings was gradually reduced but extended to Dec. 1 under the original contract. However, that plan is not being followed this year due to the fact that the value of the buildings was practically nothing after the gates closed. There will still be possibilities of marine insurance losses on the various exhibits which will be packed and moved off the grounds during the three or four weeks following the close. It is felt that this period will be one of the most dangerous from the fire hazard standpoint as the possibility of loss will be increased through careless employes and the use of highly inflammable packing materials.

Probably the companies doing the salvage work will take out special insurance although it is hard to estimate the value of the salvage materials.

Two years without a serious fire is a remarkable record of fire prevention.

To Chief J. C. McDonnell of the Century of Progress fire department goes much credit for the splendid record. The chief has been rigid in his inspections and the effectiveness of his work is attested to by the fact that the only consequential loss during the 1933 fair was the \$1,500 damage to a spectroscope machine in the General Motors building, and at the 1934 fair a \$1,000 loss to the Ford industrial barn.

There was a total of 67 fire calls up to Sept. 12 (the last figures available) compared to 118 alarms in 1933. Twenty-three of the alarms this year were American District Telegraph alarms which were also responded to by the Chicago fire department. In addition to this there were 19 alarms by the Century of Progress telephone and police and guides on the fair grounds. Of the total 25 were false alarms. It took the Chicago fire department from four and a half to six minutes to reach the fair grounds, so that there was adequate protection from this source.

After the exhibits have been moved, the demolition period is expected to last three or four months, which will also create considerable hazard. However, the value of the salvage from these buildings will be very little, so that a fire will not mean any great loss.

The value of the A. D. T. equipment

on the fair ground cannot be over estimated. The grounds and buildings were well equipped with A. D. T. alarm boxes and also automatic alarm systems.

Miami Has Inside Track for Agents' March Meeting

Although a decision has not been reached, it now appears as virtually certain that the mid-year meeting of the National Association of Insurance Agents will be held in Miami in March. The leaders have found strong sentiment among the membership in favor of Miami. Many agents have said they would attend if the meeting were held there, as they would plan a vacation trip at the same time. March is a time of year when Florida has a strong appeal for many and the leaders feel that Miami would be a wise choice.

Action Taken on Floaters

The joint committee on interpretation and complaints in Nebraska has voted to declare the commissioner's definition as to floaters operative and binding on subscribers there. In the application of the agreement to Nebraska, the nationwide definition is subject to amendments made by the insurance commissioner in

Robert H. Williams of Travelers Fire Is Ill

HARTFORD, Nov. 14.—Robert H. Williams, vice-president and secretary of the Travelers Fire, is extremely ill at the Hartford hospital. His condition has remained unchanged for the past day or two, officials at the hospital say. Mr. Williams had been suffering from sinus infection, and was contemplating going south for a rest. Before leaving he went to the hospital for a check-up and while there other conditions were discovered which threaten his life. He has been in the hospital about two weeks and a half. Mr. Williams has been with the Travelers Fire since 1925 and is not yet 50 years old. Before coming here he was United States deputy manager for the Liverpool & London & Globe of England, and has been in the insurance business for 30 years.

January. These deal with personal property floaters and furriers and/or fur store customers' policies.

Commissioner Shaw of Delaware has issued an order prohibiting the writing of personal property floaters in that state.

INVISIBLE ALLIES

INVISIBLE but powerful allies go constantly with agents of Pearl-American companies in their mission of protection. Internationally recognized strength; coverage for all types of risks, and constructive attitude in settling claims, are definite aids in obtaining business. We invite correspondence from agents who realize, and wish to benefit by, the selling force of Pearl-American companies.



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EUREKA-SECURITY FIRE & MARINE INSURANCE CO.
MONARCH FIRE INSURANCE COMPANY

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4300 EUCLID AVENUE, CLEVELAND, OHIO

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Globe & Rutgers Rehabilitation

THE announcement that the rehabilitation of the GLOBE & RUTGERS is near at hand and that FRED A. HUBBARD, formerly vice-president of the HANOVER, will be president of the former company, will tend to clear the record so far as fire insurance is concerned. That field of indemnity has stood the test of the chaotic times with remarkable courage and vitality. The GLOBE & RUTGERS is the only major com-

pany that was forced to suspend. In fact, it is the only fire insurance company that closed down. Fire insurance has presented a remarkably good record. It is to be hoped that the GLOBE & RUTGERS will soon get started and under the guidance of Mr. HUBBARD and his associates will take its place among the permanent institutions of the country. It was at one time most successful in its operations.

Politics and State Regulation

THERE has arisen some discussion following the announcement that the ALFRED M. BEST COMPANY would continue its insurance ratings as to the efficacy of state insurance supervision. In defense of Best's ratings it was claimed that owing to the fact that the state departments did not effectively supervise the companies, the public was not protected as it should be and hence there was need for some independent designation from an expert as to the proper gradation of companies.

The AMERICAN LIFE CONVENTION came emphatically to the support of the insurance commissioners and declared that they are perfectly capable of passing on the merits of institutions operating under their control.

While state supervision undoubtedly has its weaknesses, as a matter of fact, the insurance commissioners themselves as a class desire to do the right thing. They are conscientious and endeavor to carry out their duties to the best of their ability. Naturally the weakness of state supervision comes from political influence. That undoubtedly has the effect of interfering with the natural processes and the normal functions of the state supervisors. Where a commissioner is entirely free from political influence or is not subject too greatly to its mandates, excellent work can be done. If the political party in power would pay its debts through offices that had not so intimate a connection with the welfare of the people and leave the insurance department very much alone, there would be no question as to the efficacy of state supervision. The play of politics has a very weakening effect and where this is used by companies to gain their ends instead of try-

ing to strengthen their position and overcome objectionable features, the people may get a wrong impression of the real condition of the institutions.

Insurance companies pay large sums of money to the states in the way of fees, taxes and miscellaneous charges. Of this amount but a small percentage is returned for the maintenance of the insurance departments. The appropriation in a number of states is most inadequate. This does not enable the commissioner to employ high grade talent. An effective department requires not only a competent commissioner but men of ability as heads of the divisions of the department such as life, casualty, fire and fraternal. In addition there must be a corps of examiners that are able to intelligently perform their duties. If the appropriation allowed to departments was adequate, then competent people could be secured and the public would be better protected. It is poor economy on part of a state to starve its insurance department.

The people deserve the right kind of protection so far as their insurance is concerned. Insurance and banking come very close to the lives of a large number of people. When an insurance company is licensed or a bank allowed to operate, then the people have a perfect right to conclude that they are safe because they are under the immediate jurisdiction of the state. The people are not protected as they should be in these two regards. The state endeavors to play politics through the banking and insurance departments and furthermore it does not give sufficient appropriation to these important divisions to enable them to func-

PERSONAL SIDE OF BUSINESS

Friends and associates of **Mrs. Mae Barr Long**, deputy insurance commissioner of California, were shocked to learn of her sudden illness which necessitated an operation at a hospital in San Francisco. It is reported that Mrs. Long is now doing nicely.

J. L. Leffson, president of the Washington Assurance of New York and vice-president of its running mate, the Merchants Fire, underwent a surgical operation at the Mount Vernon (N. Y.) hospital last Saturday.

In recognition of **Ernest Sturm's** 10th anniversary as chairman of the board of the America Fore group, officers and division heads of the affiliated companies had Mr. Sturm as their dinner guest. On behalf of his associates B. M. Culver, president, congratulated the chairman on the results of his administration during the past decade, declaring that he could count on the same loyal and sincere cooperation of the 4,000 or more employees in the organization in the future as in the past. Acknowledging the feeling that prompted the gathering, Mr. Sturm declared that whatever measure of success had been attained by the America Fore since he became chairman was largely the result of the fine spirit of intelligent aid had from office and field representatives alike.

Written in an original and attractive manner, "Beloved City," just off the press, describes San Francisco in a series of fascinating personal impressions. The author, Eleanore Farrand Ross, is on the editorial staff of the "Fireman's Fund Record."

The volume, beautifully and profusely illustrated by Julian A. Links, another San Franciscan, whose work has appeared in several de luxe books of travel, will be exhibited at the San Francisco public library in a collection gathered by Albert Bender, art and literary connoisseur.

J. T. Doolin, 45, assistant manager of the Bruce Dodson Company, Kansas City, Mo., died of heart disease in his office. He had been with the organization 25 years in various executive capacities.

George H. Gille, who had been a local agent at Quincy, Ill., for some 25 years, died last week as the result of an automobile accident. Mr. and Mrs. Gille were on their way to St. Louis to visit their daughter when, in attempting to pull around a truck, seven miles south of Hannibal, Mo., the car crashed into a bridge over Salt river. For 19 years Mr. Gille was circulation agent for the Quincy "Journal."

S. C. Cyzio, former general agent of the National Life, U. S. A., in Chicago, is the author of an interesting volume entitled "Your Insurance," which has just been brought out, dedicated to George I. Cochran, president of the Pa-

tion as they should. There would be no difficulty in getting competent and perfectly conscientious people in public service of this kind provided there was reasonable compensation paid. The commissioners, even with the political handicap, and the financial limitations, meet their obligations remarkably well. The policyholders, however, should insist on greater effectiveness in state supervision and this should come through sufficient money being allotted to enable the department to secure skilled lieutenants. Then politics should be debarred from these offices or at least reduced to a minimum.

cific Mutual Life. Mr. Cyzio now represents that company. Throughout the book, which was published in Chicago, Mr. Cyzio develops the idea of having one's insurance needs handled by competent insurance counsel. He devotes considerable space to life insurance and also takes up disability coverage, burglary, insurance, sickness and accident, annuities, automobile, fire, workmen's compensation, public liability insurance and surety. It is a constructive volume designed to appeal to the general public and give people a better idea about their insurance contracts.

F. S. Dauwalter, recently advanced from a post in the Chicago office of the Royal to assistant western manager of the Royal-Liverpool group at the United States headquarters, is still suffering from the ailment with which he was attacked on his arrival in New York City several weeks ago.

Alexis Coquillard of South Bend, former president of the Indiana Association of Insurance Agents, was elected county recorder of St. Joseph county. Mr. Coquillard, Republican, took the office away from his Democratic opponent in a campaign in which the Democratic county organization was unexpectedly upset.

George E. Jones, vice-president of the Rossia, last week was elected to the lower house of the Connecticut legislature from his home city of West Hartford. In Connecticut, representation in the lower house is by cities and towns, each place being entitled to one representative with the exception of a few towns, which have two representatives. Mirabile dictu! Mr. Jones is a Republican.

B. N. Carvalho, vice-president of the Rossia, officiated at an important event in the life of Hartford last week, when he introduced the new professional of the Wampanoag Golf Club of that city, Joe Turnesa, at the annual trophy dinner of the club. This was the big news of the week in Hartford. Mr. Carvalho is chairman of the greens committee of the club.

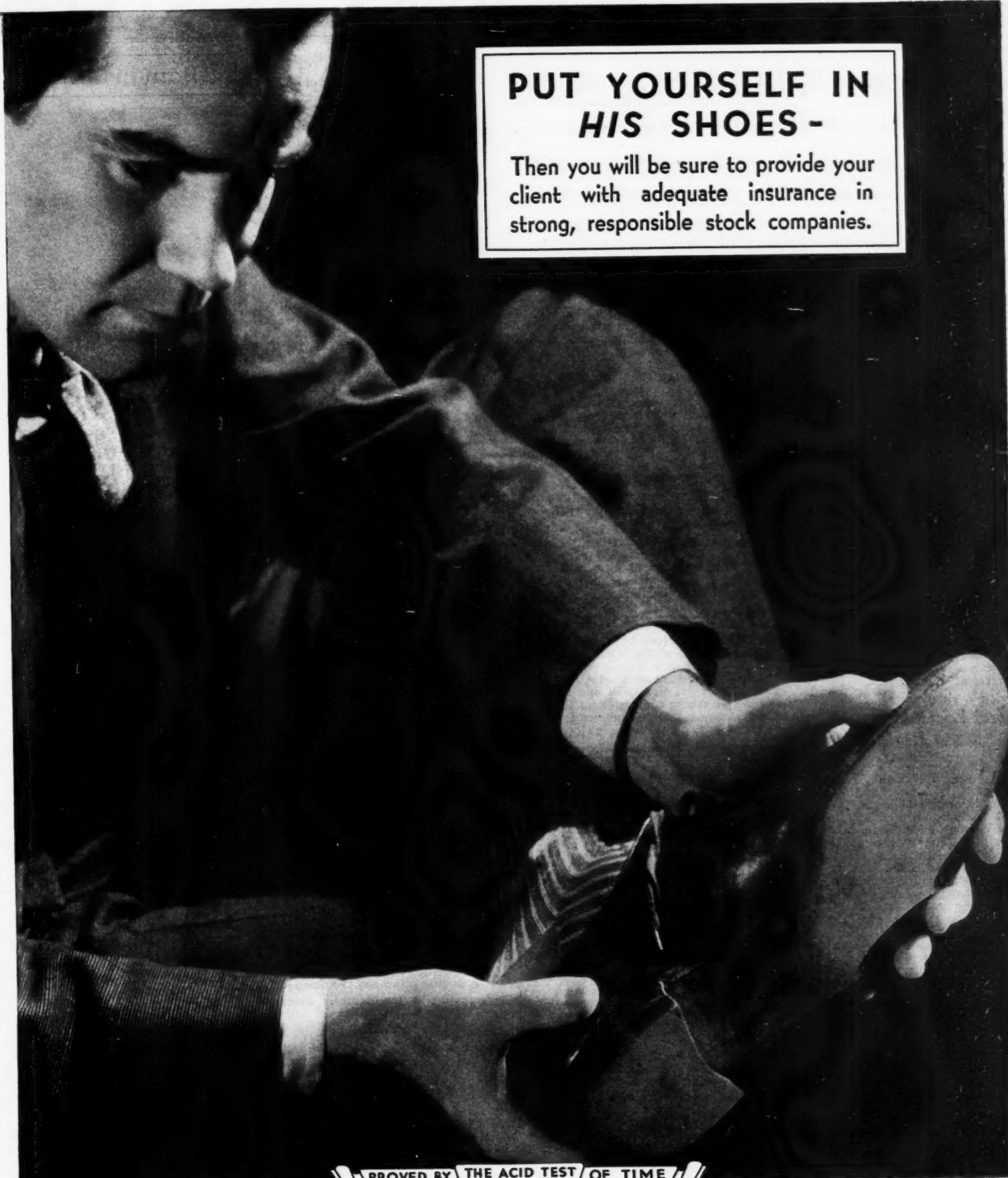
Carl V. Nipp, Indiana state agent of the Continental, has been for over a week in an Indianapolis hospital, where he underwent an operation. It is expected he will return home this week.

R. S. Barrett of Toledo, northwestern Ohio state agent of the Norwich Union, was operated on in a hospital in Toledo a few days ago for eye trouble, and is now recuperating at his home.

Martha A. Rudy, daughter of **O. H. Rudy**, Indiana state agent of the State of Pennsylvania, died suddenly of a heart attack at Lafayette, Ind., where she was a student in Purdue University.

The engagement of Miss Beatrice Charlotte Koop, daughter of **W. H. Koop**, president of the Great American, to William O. Fitchett of East Orange has been announced.

Thomas R. Weddell of Chicago, associate editor of the "Insurance Field," and editor of the "Insurance Post," is critically ill at his home, 134 N. Lincoln street, Hinsdale, Ill. He is finding it difficult to speak. However, he retains his mental faculties and appreciates all that is said to him. He has received a number of letters from friends which are greatly cheering to him in his helpless condition. If the blood clot can be cleared, his condition would greatly improve. Mr. Weddell is held in the highest esteem by insurance men who regret to know of his infirmity. He has long been in the harness and is one of the most skillful news reporters in his craft.



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Then you will be sure to provide your client with adequate insurance in strong, responsible stock companies.

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FIRST AMERICAN FIRE INSURANCE COMPANY

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BERNARD M. CULVER, President

New York, N.Y.

ATLANTA DALLAS MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Membership Drive On in Iowa

Intensive Efforts Being Made to Place Entire Association on Paid-up Basis as to Dues

DES MOINES, Nov. 14.—An intensive drive has been launched to place the membership of the Iowa Association of Insurance Agents on a paid-up-dues basis, to meet the requirement of the National Association of Insurance Agents that all unpaid dues must be forthcoming by Dec. 1, or members will be dropped from the rolls by suspension. This drive is under the direction of Secretary John S. Cutter of Shenandoah, who has sent notices to all delinquents.

Secure 19 New Members

At the same time Secretary Cutter has attempted to offset the loss, if any should result, by obtaining new members. His October activities in that respect produced 19 new members and he hopes to better this record in November.

Ten new agencies have been voted into membership of the Des Moines association, which gives it the largest membership of any local unit of the Iowa association.

Organizing New Boards

The Waterloo board has been completely reorganized and several new members have been obtained. Prospects are reported as excellent for establishing local boards at Boone and Fort Dodge before Jan. 1.

Frank Hendricks, Council Bluffs, has been named chairman of the fire prevention committee of the Iowa association by President A. P. Speers.

Several Local Agents Will Sit in Legislative Halls

In last week's election two Michigan local agents who have been active in framing insurance legislation were returned to the legislature. Representative James Wilson of Kalamazoo has served on the house insurance committee continuously throughout his three terms, one term as chairman, and has been largely responsible for a number of constructive changes in the laws. Representative Melvin Lee of Royal Oak has also served on the insurance committee and has proposed considerable insurance legislation. Both are Republicans.

In Kansas, Russell Branden of Kingman and R. A. Cox of Augusta, local agents, were reelected to the legislature, both on the Democratic ticket.

Representative McMillan Lewis of the W. H. Markham & Co. agency, St. Louis, has been elected state senator and will be the youngest member of the 1935 Missouri senate. He is 31 years old.

Hawley & Reed Expand

CLEVELAND, Nov. 14.—The E. W. & H. K. Davis agency is now associated with Hawley & Reed and is now occupying joint quarters with that agency in the Old Arcade building.

Thomas E. Wood, who owns three agencies in Cincinnati, is now president of Hawley & Reed, which has operated in Cleveland for 42 years. He also controls the Williams & McBeth agency of Dayton. E. D. Sweet, vice-president of Hawley & Reed, was formerly resident manager of the Maryland Casualty in Cleveland for seven years. Charles Collier, secretary-treasurer, was formerly with the Marsh & McLennan Co. of Chicago and with the Western Sprinkled Risk Association.

Report Is Made on Columbus

National Fire Protection Association Recites Some Improvements That Have Been Made Recently

The National Fire Protection Association engineers visited Columbus, O., and report a newly created squad company in the fire department to perform salvage and rescue work. By answering all first alarms in certain sections, this company will be valuable in reducing losses from water and smoke. Other commendable improvements are the installation of a fire department drill school and the present construction of an addition to the fire resistive city hall building for safe housing of the fire alarm apparatus.

The engineers urged the adoption of a fire prevention code, a fire prevention inspection campaign in dwelling houses, greater activity in securing removal of dilapidated and fire hazardous buildings and adoption of a program for replacement of much antiquated fire apparatus.

Show Aetna Casualty Film

MINNEAPOLIS, Nov. 14.—The Aetna Casualty film, "Saving Seconds," was shown at the monthly meeting of the Insurance Club of Minneapolis. L. C. McGee, Aetna manager here, was in charge of the program.

Regional Meet in Kalamazoo

DETROIT, Nov. 14.—The next regional meeting of the Michigan Association of Insurance Agents will be held in Kalamazoo the week of Dec. 3. J. M. Crosby, Jr., Grand Rapids, member of the governing committee for that district, learned that the streets are torn up and parking facilities inadequate in

IN THE SOUTHERN STATES

Favor Insuring Contingent

Abnormally Low Loss Ratio Makes Agents Cautious About Commissions Due Them to Date

LOUISVILLE, Nov. 14.—The loss ratio in Louisville has run so abnormally low this season that it is understood that agents are looking somewhat more favorably on the program of insuring contingent commission, where they are operating under this plan.

One agent admitted that he had already insured this contingent commission, and others have been considering it, while in some cases companies have gone so far as to suggest to agents that they do insure it.

Foolhardy to Take Chance

One agent remarked that he had a fairly good contingent coming if he could get through to the close of the year without popping up with a heavy loss, but that he was just gambler enough to take the chance on the whole thing, rather than pay about a 20 percent premium for November and December insurance.

Another agent remarked that several years running he insured, but last year he skipped it, and got along, but that this year his contingent was so large, that he felt that it would be foolhardy to take the chance, and had at a cost of several hundred dollars insured his commission.

Loss in Louisville to date for the year is probably smaller than for many years.

Battle Creek at present, so the meeting is scheduled for Kalamazoo but will be under the joint sponsorship of the two boards.

Cincinnati Agents' Meeting

At the business meeting held before the regular monthly meeting of the Cincinnati Fire Underwriters Association the application of Thos. McEvilley, Jr., & Associates for membership was approved and the resignation of the Winter Company accepted, a 30-day waiting period having elapsed since the resignation of this agency was received.

Organize at Marietta, O.

W. V. Hayes of Marietta, O., a trustee of the Ohio Association of Insurance Agents, was host at a meeting of agents there Friday evening, at which plans were made for another meeting Nov. 30, when a county association probably will be formed. State Secretary John A. Lloyd, who was reelected a state senator last week, attended the meeting.

Middle West Notes

Fred B. Merrill, local agent, has been elected mayor of Stillwater, Minn.

At Montpelier, Ind., the agency of **M. O. Beabout**, who died recently, has been sold to Forrest Bray.

The **Commercial Agency**, Evansville, Ind., has been incorporated by Henry Emig, J. A. Meyer and Fred Baker.

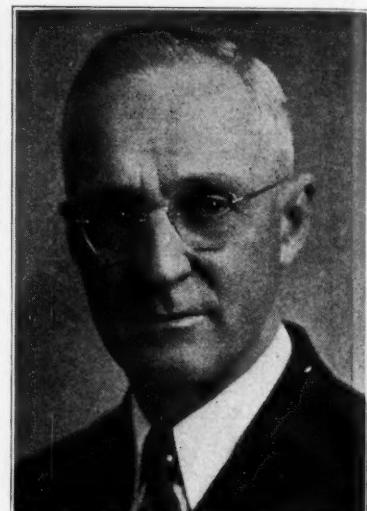
William P. M. Stevens, of the Stevens-Enbarke Company, for years a local agent in Kansas City, Mo., died at his home there.

The **Ohio Inspection Bureau** is preparing a new rate book on Galion. Buckeye Lake, which has been the scene of a number of bad fires, is now being rated.

The National Fire Protection Association reports that a new building code has been adopted in **Fort Dodge, Ia.** It prohibits wooden shingle roofs throughout the city limits.

James Shafor, Frankfort, Ind., local agent, has purchased the Charles Graves Agency there. The two agencies will be merged. Mr. Graves, who has been in the insurance business in Frankfort for 25 years, will remain with the merged agency.

Born in Blizzard



H. A. BIRD

H. A. Bird of Beaver Dam, Wis., chairman of the executive committee of the Wisconsin Association of Insurance Agents, has been able to meet courageously all the problems before him, perhaps due to the fact that he was born during a blizzard on a snow swept prairie near Sheffield, Ia. When he was a small child his family returned to the old pioneer homestead in the southern part of Dodge county, Wis., and later moved to Beaver Dam, where he completed his education and where he still resides. He graduated from Wayland Academy in 1903. He served as paymaster for three years in a large industrial plant at Beaver Dam. Then Mr. Bird decided that he wanted to go into business for himself so he started an insurance agency in 1906. He has built up a large office and is now merging it with a younger one on a partnership basis. He has been president of the Dodge County Insurance Agents Association and has served on a number of committees of the Wisconsin association. Mr. Bird's chief hobby is music. For many years he has directed a large chorus choir.

agent) and/or general agent, and/or field force, a fire insurance company which operates a branch office in Bexar county, Tex."

Another provision, for the consideration of San Antonio members is: "No member of this board is permitted to represent a company which has an agent outside of San Antonio or elsewhere in the state where such a company through any such agent writes insurance on property located within the corporate limits of San Antonio."

Bonded Warehousemen Can't Take Unlicensed Insurance

ATLANTA, Nov. 14.—In response to an inquiry from H. C. Arnall, president Georgia Association of Insurance Agents, F. G. Crout, in charge of the Atlanta office of the U. S. Warehouse Administration, advised that it is against the rules and regulations of the federal warehouse act for warehousemen whose warehouses have been bonded under the federal act to buy insurance from companies not licensed in states in which the warehouse operates.

This is a reversal of the Commodity Credit Corporation ruling under which considerable cotton business had been lost by regular agents and placed in unlicensed companies.

President Arnall has asked the Geor-

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

Surplus to Policyholders, Dec. 31, 1933, \$15,719,163.78

(*Securities at Market Value*)

Organized 1853

THE GIRARD
FIRE & MARINE INSURANCE CO.
Surplus to Policyholders Dec. 31, 1933

\$2,380,826.52

Securities at Market Value

85 YEARS IN BUSINESS

Organized 1854

THE MECHANICS
INSURANCE COMPANY OF
PHILADELPHIA
Surplus to Policyholders Dec. 31, 1933

\$2,181,651.19

Securities at Market Value

81 YEARS IN BUSINESS

Organized 1866

NATIONAL-BEN FRANKLIN
FIRE INSURANCE CO. OF
PITTSBURGH, PA.

Surplus to Policyholders Dec. 31, 1933

\$2,254,726.35

Securities at Market Value

80 YEARS IN BUSINESS

Organized 1874

THE METROPOLITAN
CASUALTY INSURANCE CO.
OF NEW YORK

Surplus to Policyholders Dec. 31, 1933

\$2,216,188.12

Bonds Amortized—Stocks Market Value

61 YEARS IN BUSINESS

AVERAGE AGE

LOYALTY GROUP COMPANIES

OVER 66 YEARS

GROUP LOSSES PAID

OVER

FOUR HUNDRED MILLION

\$413,592,692.72

A LOSS PAYING RECORD

PROVING SECURITY
AND STABILITY

OUR BUSINESS ASSETS

MERIT CONFIDENCE

THESE ARE

AGE - EXPERIENCE - GOOD FAITH

SUCCESS - PERFORMANCE

SOUND INSURANCE PRINCIPLES

Organized 1853

MILWAUKEE MECHANICS'
INSURANCE COMPANY
Surplus to Policyholders Dec. 31, 1933

\$5,021,440.67

Securities at Market Value

85 YEARS IN BUSINESS

Organized 1871

SUPERIOR
FIRE INSURANCE COMPANY
Surplus to Policyholders Dec. 31, 1933

\$1,780,616.49

Securities at Market Value

84 YEARS IN BUSINESS

Organized 1870

THE CONCORDIA
FIRE INSURANCE COMPANY
OF MILWAUKEE
Surplus to Policyholders Dec. 31, 1933

\$2,411,805.55

Securities at Market Value

85 YEARS IN BUSINESS

Organized 1909

COMMERCIAL
CASUALTY INSURANCE CO.
Surplus to Policyholders Dec. 31, 1933

\$2,015,905.60

Bonds Amortized—Stocks Market Value

85 YEARS IN BUSINESS

WESTERN DEPARTMENT
844 Rush Street
Chicago, Illinois

EASTERN DEPARTMENT

10 Park Place

NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 Bush Street
San Francisco, Cal.

CANADIAN DEPARTMENT
461 Bay Street
Toronto, Canada

SOUTH-WESTERN DEPT.
912 Commerce Street
Dallas, Texas

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL



PHOENIX
ASSURANCE COMPANY, Ltd.
of LONDON
150 William Street, New York

1782 - - - 1934

Time-Tested — Depression-proof

An Insurance Company that has endured and prospered for over 150 years is a good one to represent

You can expect such a Company to continue in the future to uphold proper practices and co-operate with its Agents as it has in the past.

One hundred and fifty-two years means more than age—it means experience, sound and sane judgment, underwriting skill.

PHOENIX
INDEMNITY COMPANY

55 Fifth Avenue, New York

Metropolitan Department, 150 William Street.

FRANK J. BUCHER, President WM. F. KRAMER, Secretary
Organized 1865

THE
Reliable Fire Insurance Co.
DAYTON, OHIO

Surplus to Policyholders \$988,081

An independent Ohio Company with a record of more than 68 years of honorable dealing with Agents and Assureds

BOSTON
INSURANCE COMPANY
OLD COLONY
INSURANCE COMPANY



87
KILBY STREET
BOSTON, MASS.

gia agents to advise the local warehousemen of this ruling.

Kentucky Law Is Upheld

The Kentucky court of appeals has upheld the valued policy law, section 762A-22 Kentucky statutes, providing that a company taking fire or tornado insurance on real property shall be liable for the full estimated value fixed in the face of the policy.

Rigard sued the World Fire & Marine, which offered \$15,000 under an \$18,000 policy. The property was burned one week after it was insured and the court held that there could not have been sufficient depreciation to constitute such dispute as would furnish a consideration for settlement.

Report Is Made on Atlanta

The National Fire Protection Association reports considerable improvement in the fire prevention work at Atlanta. The engineers say that the fire department has a well organized fire prevention bureau and arson squad. An officers' college has been started. The chamber of commerce has organized a fire prevention committee. Losses so far this year have been light.

Cottonseed Mills Ask Decrease

NEW ORLEANS, Nov. 14.—The Louisiana insurance commission has taken under advisement the appeal of the Louisiana Cottonseed Crushers' Association to rescind the 30 percent increase in insurance rates on unsprinkled cottonseed mills and on the unsprinkled portion of sprinkled mills which went into effect in 1928. In explaining the need for the increase, R. M. Pons, president of the Louisiana rating and fire prevention bureau, said that the experience on risks involved called for a 75 percent increase and that a decrease is not justified at the present time.

Agents Confer on Law Revision

ATLANTA, Nov. 14.—As no insurance agent is on the committee appointed by Governor Talmadge to revise the insurance laws of Georgia, and no conference with any insurance representation is contemplated, H. C. Arnall, president Georgia Association of Insurance Agents, has called a conference of agents here Nov. 17.

All suggestions by agents in regard to revision of insurance laws will be submitted at that time and boiled down. The final results will be submitted to the revision committee in writing, to be embodied by its suggestions for changes in the insurance laws, before going to the legislature.

"Southwest Insurer" Launched

DALLAS, Nov. 14.—The first issue of the "Southwest Insurer," published by John C. Leissler, has made its appearance. The journal starts out with 24 pages and covers insurance affairs in Texas, Louisiana, Oklahoma and Arkansas. Mr. Leissler formerly was insurance editor of the Chicago "Journal of Commerce." He is a native of Texas and has been planning his southwestern publication for several years. The "Southwest Insurer" is of the standard trade journal size and has a large number of illustrations as well as some special features. It will be a monthly until

soon after the first of the year at which time it will be changed to a bi-weekly.

Report on Alabama Fund

MONTGOMERY, ALA., Nov. 14.—The Alabama state insurance fund has completed seven years of operation, having written \$2,353,001 in net premiums and paid \$1,134,163 in losses. During the past year \$7,301,530 reinsurance on surplus lines was placed with insurance companies, for a premium of \$46,622. Approximately one-seventh of this amount was given to a mutual company, which in turn furnished a surety bond guaranteeing the state fund against any assessments on its policies. The state owns 4,068 insured buildings with a value of \$26,964,275 and contents \$5,518,635.

Mabry Seay Continues Service

G. Mabry Seay of Dallas, well known local agent, who resigned as district director of the federal housing administration for east Texas because of press of private business, has been induced to become associate director. In speaking of Mr. Seay's decision to continue, Director Flanders of the field division said, "Mr. Seay has done far too valuable work in getting the better housing program under way in east Texas to leave the movement now. He made great personal sacrifices in the inauguration of the program."

Vernor and Rogers Talk

OKLAHOMA CITY, Nov. 14.—At a public forum luncheon sponsored by the Oklahoma State Fire Prevention Association and the Associated Fire & Casualty Underwriters of Oklahoma City, R. E. Vernor and Harry (Smoky) Rogers of the Western Actuarial Bureau spoke. Mr. Vernor commended the Oklahoma City fire department for its efficiency.

Inglis Visits Texas

E. S. Inglis, vice-president of Corroon & Reynolds, visited the general agents in San Antonio and Houston, Tex., on his way back to New York from a Pacific Coast trip.

News of Pacific Coast States

New Farm Rules Approved

Changes Sought by Agents Accepted by Pacific Board—Now Go to Executives

The revised California farm insurance rules and rates were approved by the Pacific Board at its semi-annual meeting in Del Monte, Cal. They now go to the company executives as a part of the general rules and must receive an almost unanimous approval before they can become operative. The changes are approved by the California Association of Insurance Agents.

The new plan does not contemplate the setting up of a special underwriting and inspection bureau within the present board structure. The last plan submitted and rejected had such an arrangement which was objected to by the agents and a number of the companies. The plan now under consideration would cost but little to set into operation, probably through the employment of a few additional clerks to handle the increased volume of actuarial work involved. Agents would submit more specific data concerning risks and both the San Francisco and Los Angeles offices of the board would handle all of the details.

John C. Dornin, president of the board and head of the committee which has held conferences with local agents' committees for several years past on the farm insurance problem, is confi-

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• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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KELLER, MALCOLM & BURNETT
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Specializing in Insurance Law. Equipped for Trial of Cases, Investigations and Adjustments over Southeastern Kansas.

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Woodward, Hamilton & Hobson
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Louisville, Ky.

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Law Offices
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Walter L. Clark Roszel C. Thomsen
Clater W. Smith
1917 Baltimore Trust Building
Baltimore, Md.

MICHIGAN

BEAUMONT, SMITH & HARRIS
2900 Union Guardian Building
Detroit, Michigan

Payne & Payne
1026 Lafayette Bldg.
Detroit, Michigan
Michigan Attorneys for U. S. F. & G. Co.

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Insurance Companies represented U. S. F. & G. and others.
Trial of cases. Claims, adjustments, investigations. Trials in all courts.

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Harry P. Lawther, General Counsel and Director,
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dent that the new set of rules and rates will go a long way toward modifying the present unsatisfactory farm business conditions. At the recent convention of the California Association of Insurance Agents he expressed the hope that all Board companies would sign the amendment to the general rules of the organization. He also requested the agents to inform their respective companies of their desire to have the new plan adopted and set into operation as quickly as possible.

The separation proposal to extend the provisions of this rule to automobile and other lines did not meet with such a generous consideration at the meeting. The entire question was referred back to the executive committee for further study and to answer questions propounded by some of the members.

A discussion aimed at bringing about the abolition of the special dwelling house policies which a number of companies are using did not produce any-

thing definite other than a recommendation that all companies be questioned as to their opinions and ideas regarding special policies of this nature. Replies received will be analyzed and the entire question placed before the executive committee.

Stewart Case Not Conclusive

Agent's Status Under General Agency Not Same as Where Company Represented Direct

SEATTLE, Nov. 14.—The conviction of J. M. Stewart, Seattle agent, on grand larceny charges for misappropriating \$141 of insurance premiums has attracted much interest in agency circles because of the point of law involved. Under the Washington insurance code: "All funds received by an agent, solicitor or broker, as premium or return premium or on or under any policy of insurance, shall be

received by such agent, solicitor or broker in his fiduciary capacity, and any agent, solicitor or broker who diverts or appropriates such funds to his own use shall be guilty of larceny by embezzlement and shall be punished as provided in the criminal statutes of this state."

Stewart was licensed as an agent for the general agency of Gould & Gould, but failed to remit premiums he had collected. Evidence was introduced to establish the fact that he had appropriated to his own use the funds collected. In instructing the jury, the court declared that before the defendant could be convicted of grand larceny there must be shown intent on his part to defraud the general agency or companies. Under the contract with the general agency, Stewart was bound to remit each premium as soon as collected. His failure to do so and his misuse of the funds constituted grand larceny, the court held.

Distinction Pointed Out

The relation between a company and a local agency, it is pointed out, differs from that existing in the Stewart case. The latter arrangement resembled very closely the relation between a solicitor and an agency. It might be construed from the Stewart case that premiums, being trust funds, must be kept intact in a separate account or subject the agent to prosecution under the section cited. Deposit of all moneys in one account, several authorities have stated, and the withdrawal of funds for the ordinary and necessary transaction of an agency business does not constitute the misuse of trust funds. For instance, the payment out of an agency account of a return premium to an assured, prior to the actual receipt of the return premium from the insuring company, could not be construed as misappropriation of premiums, even though the agent did not have on deposit all of the premiums collected by him. The intent to deceive or defraud a company or general agency is the determining factor.

It might further be construed from the Stewart case that a company could demand all premiums collected without notice and in the event the full amount were not available in cash the agent would be subjecting himself to prosecution. One authority points out that this could not be done as long as the agent is solvent and it can be shown that he is using the funds in his possession in the ordinary transaction of his agency business, and is not appropriating such funds to his own personal use.

Clough Steele Goes to Coast

Further to assist their producers of inland marine business on the Pacific coast, the Royal-Liverpool & London & Globe groups have appointed C. S. Steele special representative with headquarters at 201 Sansome street, San Francisco. For four years prior to his connection with the organization, he was with the Los Angeles office of the North America as special agent. Shortly after graduating from the University of North Carolina in 1926, Mr. Steele connected with Anderson, Clayton & Co. of Houston, as transportation expert.

Seattle Blanket Club Officers

SEATTLE, Nov. 14.—Officers of the Seattle Blanket Club installed at the annual banquet and meeting are: President, Robert Jenner, Jenner Insurance Agency; vice-president, James Lockett; secretary, Ray Johnson; treasurer, Harry Williams.

New Insurance Post Elects

The Insurance Post of the American Legion in Los Angeles, recently organized, has elected officers. H. L. McBroom of the J. G. Kuhrt & Co. agency, who has been active in promoting the post, was elected commander; Chester Ferguson, Kuhrt & Co., first vice-commander; Ralph Hall, United Pacific Casualty, second vice-commander; G. D. Williams, Fidelity & Deposit, adjutant; W. C. Fundenberg, Fidelity & Deposit, sergeant-at-arms; August Schneider, Springfield Fire & Ma-

rine, finance officer; N. S. Anderson, Pacific Indemnity, judge advocate, and H. T. Acord, Maryland Casualty, service officer.

Expect Low Denver Loss

DENVER, Nov. 14.—Denver's 1934 fire loss ratio will be the lowest in several years, judging from reports of the fire department and adjusters. There have been fewer major losses than for some time and the number and size of dwelling fires also has been reduced, according to George Webster, manager Fire Companies Adjustment Bureau.

Defeat Department Measure

PUEBLO, COLO., Nov. 14.—The city administration's fight for a four-mill increase in tax levy to cover cost of improvements in fire and police departments has been defeated. A one-mill increase was granted but this is not enough to cover purchase of a new pumper which would be required if the town were to go back into its old rating of fourth class. Pueblo is temporarily a fifth class town and it may even be necessary to drop it to sixth.

Merge Los Angeles Service Offices

The Los Angeles service offices of the National Union Fire and the C. A. Colvin agency are being merged, following the consolidation of the coast departments of the two groups. The office, in the Fidelity building, will be in charge of C. E. Curry and G. P. Williams, special agents.

Coast Notes

DURHAM & BATES, Portland agency specializing in marine insurance, has opened a Seattle branch in the Colman building with Ray Wood as manager.

JOHN A. HENDERSON of the Robbins-Henderson agency, Santa Ana, Cal., an old-timer in the business, has been appointed deputy city fire marshal of Santa Ana.

M. S. MOORE, independent adjuster of Los Angeles, with the Fred I. Weddle Company for the past eight years, has opened his own office in the Insurance Exchange building.

L. E. NEELY, manager of the Policyholders' Service Corporation of Los Angeles for the past two years, has opened a general insurance brokerage and auditing office in the Wright-Calendar building there.

Eastern States Activities

Connecticut Tax Measure Up

Special Commission Reports Its Findings—Some of the Major Changes Being Recommended

HARTFORD, Nov. 14.—The special tax commission, set up by the last session of the legislature, in reporting its findings has recommended that the "franchise and share taxes on domestic insurance companies be repealed, including the offset of real estate taxes," and that "domestic companies be taxed 2 percent of their Connecticut net premiums plus 2½ percent of investment income of life insurance departments and 6¾ percent of investment income of the fire and casualty departments."

The commission also recommended that "no change be made in existing taxes on insurance companies chartered in other states and countries."

Effect of the Proposals

If these recommendations are adopted by the coming session of the state legislature it will result in a decrease in the amount of money paid by the mutual life companies and an increase of sizeable amount in the taxes on the fire companies. Taxes paid by the stock life companies should not be materially increased.

Fire executives were of the opinion that the recommendation for a 6¾ percent levy against investment income,

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Capital \$3,000,000

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Each of these Companies writes the following classes of Insurance

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AUTOMOBILE—FIRE, THEFT and COLLISION

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GOLFERS' EQUIPMENT and LIABILITY

WITH

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WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE ASSURANCE

CAR and GENERAL INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

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NEW YORK

plus 2 percent of their Connecticut premiums, is discriminatory. Life executives, on the other hand, appear to be satisfied with the recommendations.

Features of Present System

The present system of taxation calls for a 3 percent levy on investment income of mutual life and fire companies while the stock life and fire companies both pay two taxes. The first is a levy of 2 mills per share on each share of capital stock outstanding as of market value Oct. 1 of each year. The entire funds derived from this tax, called a franchise tax, go to the state. The second tax is levied in similar manner except that it is 4 mills per share and the money, instead of going to the state, goes to the town in which the stockholders are residents. In the case of out-of-state residents, the towns' share reverts to the state.

Report Is Made on Rochester

The National Fire Protection Association reports that conditions at Rochester, N. Y., are generally satisfactory. The city has an excellent fire loss record. The engineers have stressed with the chamber of commerce, recommendations for greater effort in securing the adoption of a fire prevention code of ordinances and extending the campaign for demolition of fire hazardous buildings.

W. W. Luckey Honored

In appreciation of 60 years' continuous representation of the Hanover Fire, W. W. Luckey, head of the Poughkeepsie, N. Y. agency bearing his name, and his entire office staff were entertained at luncheon in that city by F. B. Sammons, secretary of the company, and George F. Krank, special agent. The agency, one of the best known and most progressive in the Hudson valley, was established in 1825, and has represented several companies, in addition to the Hanover, for fully half a century.

Want Improvements at Gloucester

The National Fire Protection Association has had a conference with the committees from the Cape Ann Underwriters Association concerning formulation of a new building code at Gloucester, Mass. Plans were accepted for extending the fire limits to include the congested and hazardous waterfront district.

New England Board Meet

The New England Advisory Board will meet in Boston Nov. 22. On the next day, the advisory committee will meet with the insurance commissioners of the New England states. The agents will present written briefs and evidence on the practices which they are seeking to have stopped.

Reports on Four Cities

The National Fire Protection Association has issued reports on a number of eastern cities, including Chelsea and Everett, Mass., and Camden and Trenton, N. J.

In Chelsea for the first six months of this year the insurance losses amounted to only \$47,359, 45 percent less than the same period last year. A fire inspector and the chamber of commerce committee have instituted an effective system of following up all fires. Only four fires in the last six months have been classed as of unknown origin.

The fire alarm system in Everett has been converted from an automatic to a manually operated type and the fire alarm central station has been rebuilt to increase its fire resistiveness. The principal need is a modern and adequate building code.

Good progress was made recently in Camden in improving the city's fire defenses. In the fire department a training school has been put into continuous operation and a drill tower provided. Salvage covers and two new pumping engines have been purchased. A com-

plete fire department record has been installed. A new building code is being compiled. There is need for establishment of a fire prevention bureau and more complete fire prevention ordinances.

The principal weakness has been greatly remedied by improvements in the water distribution system.

Westchester County Meeting

The November meeting of the Westchester County Association of Local Agents will be held at Murray's on the Bronx River Parkway at Tuckahoe, N. Y., next Monday evening. B. B. Riley of Tuckahoe is president and J. K. Crawford of Mt. Vernon is secretary.

Haggerty to Pacific National

PHILADELPHIA, Nov. 14.—J. J. Haggerty has resigned as chief underwriter of the Lumbermen's to join the eastern office of the Pacific National Fire in the same capacity. He had been with the Lumbermen's for more than five years. Prior to that he was at the home office of the Republic of Pittsburgh.

The volume of business done by the eastern department of the Pacific National since its organization four months ago has far exceeded expectations that the office has been forced to enlarge its quarters to four times the original size. It has now taken over the entire fifth floor of the Independence building.

Eastern Notes

The C. M. Bowker Company agency, Portland, Me., has been reorganized with these officers: D. R. Bowker, president; J. A. Selberg, treasurer; R. H. Bowker, vice-president, and Mrs. C. M. Bowker, director.

F. B. Wittel & Co. is a new agency in the Federal Trust building, Newark. Mr. Wittel has been with the Associated Indemnity and American Casualty in Newark as adjuster, underwriter and inspector.

The agency of the late E. J. Boller of Rochester, N. Y., has been incorporated as the Ezra J. Boller Agency. Emil R. Boller is president, Herberta E. Boller, vice-president, D. G. Clark, secretary, and Clara Woodward, assistant secretary and treasurer.

Motor Insurance Events

Want the Practice Stopped

North Carolina Association of Insurance Agents Files Request With Department on Financed Cars

The directors and past presidents of the North Carolina Association of Insurance Agents have directed the attention of Insurance Commissioner Boney of that state to the way in which financed automobiles are being insured through dealers, finance concerns and/or their underwriting insurance companies. The association has suggested that the commissioner make an investigation.

John D. Saint, manager of the North Carolina association, in a letter declares that "individual car purchasers are being insured by their system wherein the interests of both purchaser and creditor are covered and these insurance contracts negotiated by persons who are not authorized by law to make insurance contracts."

Advantage of All-Risk Policy

Damage Done by Thieves Taking Personal Effects Definitely Covered Under Comprehensive Policy

Those who are seeking sales arguments in favor of the comprehensive automobile policy are citing a type of claim that occurs rather frequently, which is definitely covered under the

STATEMENT AS OF JUNE 30, 1934

ASSETS

Mortgage Loans	\$ 103,950.00
Bonds and Stocks.....	7,107,653.33
Cash on Deposit.....	738,848.76
Premiums in Course of Collection.....	849,873.95
Reinsurance Recoverable on Paid Losses.....	40,850.35
Interest Accrued	38,098.63
Missouri Premiums Impounded	53,538.22
	\$8,932,813.24

LIABILITIES

Unearned Premium Reserve.....	\$3,840,899.83
Unadjusted Losses	265,881.00
Missouri Impounded Premiums.....	52,963.29
Minnesota Surcharge	182.89
Voluntary Reserve	150,000.00
†Contingency Reserve	185,158.56
Capital Stock	\$1,000,000.00
Net Surplus	3,437,827.67
	\$8,932,813.24

*Valuations on basis approved by National Convention of Insurance Commissioners.

†Contingency Reserve, represents difference between value carried in assets and actual June 30, 1934, value.

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ORIENT INSURANCE COMPANY

LAW UNION & ROCK INSURANCE COMPANY, LTD.

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS AGENCY

STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

GILBERT KINGAN, Manager

Eastern Department

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Hartford, Connecticut

W. W. GILMORE, Manager

Pacific Department

332 Pine St.

San Francisco, Cal.

C. CLAUSSEN, Manager

Western Department

223 W. Jackson Blvd.

Chicago, Illinois

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all-risk policy but which usually causes dispute under the regular theft form.

These are claims presented for damage to an automobile done by thieves, who take personal effects from the car. Of course, the personal effects are covered neither under the regular policy nor under the comprehensive. However, the damage done to the car is definitely covered under the all-risk form, but claim men and underwriters differ as to whether payment for such damage is contemplated under the regular policy. Some companies have refused to pay. Often the damage is considerable. For instance, the thieves might cut through the top of the car to get inside. Recently considerable damage was done to an expensive trunk attached to an automobile by thieves who took only personal effects from the trunk.

Louisiana Approves Manual

NEW ORLEANS, Nov. 14.—The 1934 automobile insurance manual, which is now in use in most of the states, has been approved by the Louisiana insurance commission. The adoption of this manual, which replaces the 1931 manual, will tend to effect a slight net reduction in net premium income from automobile insurance in this state. There was no revision of the manual in 1933 and the 1932 manual was never approved by the Louisiana commission, despite the recommendation of the Louisiana Rating & Fire Prevention Bureau. The state, as a result, has been using until now a manual three years old.

Bank Quits Finance Cover

OAKLAND, CAL., Nov. 14.—The East Bay Association of Insurance Agents announces that the Anglo-California National Bank has agreed to retire from the insurance business in the financing of automobiles. The bank states it will accept policies written by agents and brokers where the premium is paid, but reserves the right to place the business where the premium is not paid. However, in such cases the commission on the business will be paid over to the interested agent or broker. The bank also suggests that the agent or broker accompany the client to the bank when the financing is being arranged and endeavor to sell the new automobile owner property damage and public liability insurance at that time.

Discuss Bus Truck Cover

COLUMBUS, O., Nov. 14.—The safety council of the Ohio Public Utilities Commission at a meeting here discussed a proposal that only policies in licensed companies be accepted by the commission on buses and trucks. Owing to a wide difference of opinion, no action was taken. Neither could an agreement be reached on a proposal for a 30-day notice to the commission on cancellation of policies, as some believed this would result in increased premiums. The present ten-day notice plan will continue.

Many Changes Due in Commissioners

(CONTINUED FROM PAGE 1)

been suggested for the post, who are supposed to have strong political backing, but Mr. Earle has announced quite diplomatically that he will accept no dictation in the formation of his cabinet, although he will receive suggestions. He asserts he will appoint the best men possible to the various posts, which has given some hope to insurance men that a commissioner will be named who knows something about the business.

Clark to Go Next Year

Ever since the Democrats gained control in Iowa last year efforts have been made to dislodge Commissioner E. W. Clark, who is a Republican. He has managed to hold on so far, but can not hope to remain in office beyond his pres-

ent term, which expires next July. The new commissioner must be confirmed by the senate and the governor is expected to send in an appointment shortly after the legislature convenes in January, but has given no intimation so far as to whom he will appoint.

Harold G. Hoffman, governor-elect of New Jersey, who is now serving as motor vehicle commissioner of that state and is well known to insurance men, has given no indication as to whom he will appoint to succeed Commissioner Kelly, whose term expires in February, although a number of candidates are already in the field, including several insurance men. It is stated that the new governor will make a careful study of the aspirants before announcing a selection.

Considerable interest also attaches to his selection for his own present post. Assemblyman Fred W. Fort, Jr., who is with the Newark branch office of the Travelers, is understood to be an aspirant for that position. During his term as motor vehicle commissioner, Mr. Hoffman worked in close cooperation with the casualty men of the state and had a number of amendments added to the present motor vehicle act, which were of benefit to the insurance carriers. He has spoken at a number of insurance gatherings.

Reappointment of Theodore Thulemeyer, Wyoming commissioner, a strong Republican, is improbable to say the least, since Wyoming went overwhelmingly Democratic. The main question is whether he will complete his present term, which expires March 1.

With the election of H. W. Nice, Republican, as governor of Maryland, insurance men of the state see success in a fight which has been waged there for years to have a practical insurance man named as head of the insurance department.

For over a generation the office has been considered as a "political plum" and as a result Maryland has never had a commissioner who knew anything about insurance. So far no one has been mentioned in connection with the office, but there are said to be a number of applicants for the position.

Gen. C. H. Martin, Democrat, was elected governor of Oregon by a large majority. While no appointment of a new insurance commissioner has as yet been considered, the name of George Holcomb, prominent Democrat of Portland, has been mentioned prominently in connection with the office, as also has that of Deputy Commissioner James Sehon.

CHANGE CERTAIN IN OHIO

CINCINNATI, Nov. 14.—With the selection of M. L. Davey as governor of Ohio, it is practically certain that a change will be made in the head of the insurance department. In a talk before insurance men some time ago, Mr. Davey asserted, through a spokesman, that he would appoint an insurance man superintendent of insurance. In a letter which he sent later to insurance men and insurance employees all over the state, Mr. Davey charged that the department is "inadequate and inefficient." He promised in that letter to bring about important changes in the department if elected.

One report is that former Superintendent H. L. Conn will come back as head of the insurance department. If he is not named, it is known that he will be consulted freely. Others mentioned are Ray Allison, now deputy secretary of state; J. B. Gillespie, Jr., Columbus manager Maryland Casualty and president of the Ohio Association of Casualty & Surety Managers, who appeared before the Ohio Association of Insurance Agents at its recent meeting in behalf of Mr. Davey, and Glenn L. Thrush, special agent National Fire of Hartford.

Tangeman to Retire

Theodore Tangeman, director of commerce under the White administration, will retire and it is generally understood that he plans to take an insurance com-

pany home office post. The insurance department is a division of the department of commerce, which also has charge of banking and building and loan organizations. W. G. Pickrel of Dayton, who was defeated by Mr. Davey for the nomination for governor, has been suggested for director of commerce, but Francis Poulson of Cleveland, who managed Davey's campaign, is believed to have the refusal of that post. A new insurance commissioner will not be named, of course, until the director of commerce has been selected and consulted.

Southern Notes

The Spears Turley agency of Miami has been purchased by James L. Mixson, who has changed the name to Mixson Insurance Agency.

Van Howell, manager Security Insurance Agency, Fayetteville, Ark., has been elected president of the Fayetteville Chamber of commerce.

L. A. Stone, New Orleans, local agent, has been elected commander of Alvin Calender post 134, American Legion. Robert Indest, adjuster, is vice-commander.

The Hammer & Co. agency has been opened in the American National building, Oklahoma City, by Bernard Hammer and Ray Weems. Mr. Hammer was formerly with the Eugene Whittington agency and Mr. Weems is just completing a term as Oklahoma state treasurer.



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The National Underwriter

November 15, 1934

CASUALTY AND SURETY SECTION

Page Twenty-seven

Crime Prevention Urged to Cut Loss

Experience on Bank Robbery and Blanket Bonds Greatly Improved

HAZARDS ARE DISCUSSED

R. T. Woods Tells of Progress Made in Reducing Losses by Reduction of Exposure

Crime prevention to check bank burglary and fidelity losses was urged by R. T. Wood, manager of the American Surety's fidelity department's bank division, at a bankers' meeting in York, Pa. The stricter underwriting requirements recently instituted by insurers are showing results, he said. "In 1933 our experience on bank robbery and bankers blanket bonds showed an improvement over 1932, although the loss ratio on both was non-permissive. For the first six months of 1934 we had the first permissive loss ratio on bank robbery since 1925 and the first permissive loss ratio on bankers blanket bonds since 1929. For the same period the number of bank robbery losses and the amount of the average loss has also decreased. Because they take longer to mature, it is too early to draw any conclusions about fidelity losses. It is our belief, which is shared by accountants, that systems can be devised which will cut down the length of time during which an employee can steal without detection. Any progress in this direction should have the effect of reducing losses."

Three Alternatives

In referring to the increase in bank robberies, Mr. Wood said that there are three alternatives in correcting the situation: (1) To overcome the bad experience by increasing rates; (2) to stop writing the line partly or entirely, or (3) to cut down losses by preventive measures.

He said within certain limits the remedy for bad experience is an increase in rates. But it is not the answer for continued bad experience. The second remedy seems too much like quitting under fire and the disturbing effect of wholesale cancellations is something to be avoided. Banks need insurance so the only alternative is a campaign of loss prevention.

He said a crime depends not only upon the impulse of a man, but also upon the opportunities afforded him. Prevention of dishonesty losses takes the form of limiting opportunities for persons to follow dishonest impulses, said Mr. Wood. He told of the experience of the bankers' association in a southwestern state in offering a reward of \$250 for the killing or arrest and conviction of any one guilty of robbing a bank. Although there was an increase

(CONTINUED ON PAGE 35)

Plan Is Pondered to Meet Motor Clubs' Competition

AGENTS, COMPANIES CONFER

Scheme Still in Nebulous Stage—Some Means of Holding Auto Business Is Sought

NEW YORK, Nov. 14.—A conference was held here by a committee from the National Bureau of Casualty & Surety Underwriters and the one from National Association of Insurance Agents to ponder the possibility of the development of some service on the part of insurance people, which would compete with automobile club attractions. The agency committee consisted of K. H. Bair of Greensburg, Pa., chairman of the executive committee of the National association, Albert Dodge of Buffalo, and Charles T. Monk of Philadelphia.

The proposal is only in the idea stage now. It is understood that the suggestion emanates from the company ranks and that the agents were invited to confer. Those who have advanced the suggestion, it is indicated, have a more precise idea of the desired objective than of the means to accomplish it.

Suggest Broad Service Coverage

One suggestion is that broad service coverage be developed, whereby the motorist, who runs out of gas, has a flat tire, frozen radiator, etc., could call headquarters and get service in much the same way as the member of a motor club proceeds. This would entail some administrative work on the part of the agency force, in checking the service.

What may develop from these discussions is some joint program designed to hold for bureau stock companies and their agents the automobile business which is fast slipping away to the cut rate market. The bureau companies feel that the experience on automobile liability business would not justify them in cutting rates to meet the non-tariff competition and that such a course would be futile in any event, because of the certainty that the cut raters would merely make a percentage cut under the lower bureau rates. Therefore, some other approach is being considered.

Insurers Will Finance New Safety Campaign in Oregon

PORLAND, ORE., Nov. 14.—A state-wide street and highway safety campaign in Oregon was launched by Governor Meier by a radio broadcast. The campaign originated in the office of Commissioner A. H. Averill and has been developed by Deputy Commissioner Sehon.

Governor Meier is the president of the new organization, which has been named the Automobile Accident Prevention Association of Oregon. The campaign is being financed by the insurance companies through an arrangement recommended by Commissioner Averill. Life companies contribute .05 of 1 percent of their Oregon premiums, accident and health companies .2 of 1 percent and automobile writing companies .5 of 1 percent.

Industrial Insurers Settle Miami Convention Details

PROGRAM IS WELL BALANCED

Talks and Round Table Discussions Cover Broad Field—Plan Golf and Other Entertainment

The program for the Industrial Insurers Conference at Miami, Fla., Nov. 19-21, has been completed. In addition to the pertinent talks and round table discussions scheduled, a full program of entertainment is provided, including a golf tournament, swimming, dancing, sight seeing, etc. The annual banquet is to be held on the evening of Nov. 20, at which golf and bridge prizes will be presented. The details of the business sessions follow:

Nov. 19, 9:30 a. m.

Call to order by President Peyton Jones.

Invocation.

Address of welcome: L. F. Lee, president Peninsular Life.

Response: George Spring, Industrial Life & Health.

Minutes of last meeting.

President's address, Peyton Jones, Bankers Health & Life.

Committee reports: Credentials, J. A. Walker; good of the conference, B. L. Tatum; grievance, F. J. Walker.

Report of secretary-treasurer, W. B. Clement.

Address, "Selection and Training of Agents," by E. W. Craig, National Life & Accident.

Address, "Analyzing Human Nature," by Dr. Julian Pennington, Atlanta, Ga.

Committee reports: Membership, Miss M. H. Chiswell; golf, Raymund Daniel and C. A. Craig.

Nov. 20, 9:30 a. m.

Appointment of nominating committee by President Jones.

Report of executive committee, C. S. Drake, chairman.

Address, "Facility of Payment Clause," by John G. McKay, Miami.

Executive session.

Report of the statistical committee, R. A. Halley.

Round table discussions: "A Bureau of Rejected Risks," by William Wallace, actuary, Carolina Life; "How We Get Our Industrial Agents to Produce Ordinary," by E. L. Phillips, treasurer Gulf Life; "Why H. & A. Insurance," by H. T. Dobbs, vice-president Industrial Life & Health; "Why We Have Stopped Writing H. & A.," by G. W. Mumford, secretary Home Security Life.

Nov. 21, 9:30 a. m.

Address, "What We Receive from Radio Advertising," by J. T. Ward, Life & Casualty.

Address, W. V. Knott, Florida insurance commissioner.

Committee reports: Laws, P. M. Estes; advertising, W. R. Lathrop; auditing, George Spring.

New business.

Report of the nominating committee and election of officers.

Date and place of next meeting.

Kolb in Chicago

E. E. Kolb, chief bond underwriter of the Maryland Casualty at the home office, was in Chicago this week. Mr. Kolb reports an increase in contract bond business and lower losses on all lines.

Peculiar Points Seen in the Suit

Ocean Accident Will Appeal Warren & Co. Decision to Supreme Court

MAIN ISSUE IN THE CASE

Question Arises Over Number of Engineers Available as Listed in Lighting Bid

DETROIT, Nov. 14.—The Ocean Accident & Guarantee has appealed to the supreme court of Michigan from the judgment recently awarded to the Homer Warren & Co. agency here in its suit for damages against the carrier for which it was formerly general agent in Detroit, says I. E. Kerr of Kerr, Lacey & Schrogue, general counsel for the Ocean and Columbia Casualty in Detroit. A jury in circuit court awarded damages of \$6,742.36, representing half of the commission on the Public Lighting Commission machinery breakdown insurance placed in 1931 to the Warren agency.

Warren & Co. Claimed Damages

"The case was submitted to the jury on the claim of Homer Warren & Co. that the failure of the Ocean Accident & Guarantee to cooperate with it resulted in its loss of one-half of the commission on this insurance and damages to its business and business reputation in the sum of \$50,000," said Mr. Kerr. "The jury awarded the Warren agency the amount of one-half of the commission with accrued interest to the date of the trial.

"The Ocean Accident has appealed to the supreme court from this judgment and will contend that there was no evidence which justified any verdict in favor of the agency and will also urge that the failure of the joint award resulted from the refusal of the agency to accept the portion of the commission for which it brought this suit and will also contend that a recovery of commissions cannot be had when the awarding of this insurance was subject to the highly speculative contingency of obtaining approval of the Common Council.

Question of Engineers Up

"In the original story it was incorrectly stated that Henry Collins, United States manager of the Ocean Accident & Guarantee and president of the Columbia Casualty, had provided J. A. Grow, vice-president of the Warren Agency, with a list of engineers available for the Ocean in the submission of its bid to the Public Lighting Commission of Detroit. The correct situation is that the Ocean and Columbia prior to the submission of bids by Homer Warren & Co. and the Michigan Insurance Agency had segregated the engineering staff in Detroit and had allotted certain

(CONTINUED ON PAGE 35)

Debates Giving Permission for General Sale of Form

LONDON LLOYDS NEGOTIATING

Brandt & Co. of San Francisco Reported to Have Exclusive Contract to Sell Auto Form

The sale by W. B. Brandt & Co. of San Francisco of the so-called ultimate net loss motor vehicle liability policy through London Lloyds caused other agents of London Lloyds in this country to seek authority to write the same policy. They are being informed that London Lloyds now has under consideration the question of whether to permit the policy to be written generally by their agents in this country. Apparently W. B. Brandt & Co. has some sort of an exclusive contract and Lloyds is negotiating to get their permission to have the policy written elsewhere. This is the contract under which Lloyds undertakes to make good any judgment obtained by a motorist against the party at fault in an automobile accident, if the judgment debtor does not pay. The judgment must be for accidental bodily injuries. It does not cover for property damage. The accident must occur in the United States or Canada, the judgment must be a final legal action and the insurer is subrogated to the rights of the judgment creditor.

The advantages of judgment guaranty coverage are open to debate with the opposition in the majority. There are some that feel this form may be the solution to the agitation for automobile accident compensation, inasmuch as the main argument for the later is based on the insolvency of a large number of motorists. Although a reverse approach to the problem, the judgment guaranty form would theoretically reduce the number of unsatisfied judgments. However, those who feel that the coverage is not worth consideration say that an accident policy can be secured for the same premium and the injured person is then certain of being financially reimbursed without seeking relief through the courts. The judgment guaranty form has a certain sales appeal with the \$50,000 top limit as an incentive to the gambling instinct while the same priced accident form has only a \$5,000 principal sum. The Lloyds policy is being considered by at least one large American company but as yet there is no indication of favorable action.

Have Distinct Purposes

The proponents of the judgment guaranty bonds point out that the accident and health policy is not a substitute for the workmen's guaranty form because the forms have distinct purposes. Accident insurance is sold specifically to replace income and the forms written at the low premiums limit the income to comparatively short periods in comparison to the impairments which may result from serious accidents. In case of a serious injury, the assured under the automobile accident form is not being compensated to any degree commensurable with the financial impairment which would follow his physical disability.

The sales angle in the judgment bond guaranty versus accident and health coverage situation is another factor to be considered. Generally speaking the accident and health market is fairly well covered and there is not much opportunity for any great increase in business. The judgment bond guaranty form on the other hand offers widespread possibilities for sale because it offers protection against hazards that can be graphically presented to the prospect. Every prospect sees ramshackle cars driving on the highways and knows of cases where friends have had accidents where the other party has not had adequate insurance, nor even financial background.

Busy Woman



MRS. LILLIAN L. HERRING

Mrs. Lillian L. Herring of Chicago, secretary of the Illinois Insurance Federation, has a multitude of duties as her office has become the center of activities for a number of the organizations. In addition to her work for the Insurance Federation, her office looks after the detailed work of the Illinois Association of Insurance Agents. In the federation office also meets the famous legislative council that looks after legislation during the sessions of the Illinois legislator.

Mrs. Herring is not new to insurance. She was formerly secretary to Frank M. Chandler when he was resident vice-president of the New York Indemnity branch in Chicago. She was chief clerk in the American Employers office for five years and then was connected with the Remington-Rand as employment manager in the typewriter division. Aside from being a very capable business woman, she has a charming and delightful personality. Her work with the insurance interests has demonstrated her capacity.

Oklahoma Auto Liability Rates Increased 45 Percent

OKLAHOMA CITY, Nov. 14.—The increase in Oklahoma automobile liability rates which will amount to about 45 percent in Oklahoma City and Tulsa, go into effect tomorrow. The Oklahoma insurance board has granted the increase following the filing of the five year experience of the companies. In the conference here James Beha, general manager of the National Bureau of Casualty & Surety Underwriters, discussed the situation. Protests as to the new schedule are being met with figures showing that the increase is justified. Tulsa and Oklahoma City officials objected to the rate increase on the contention that accidents have been sharply reduced during the past three years. A hearing was held yesterday by the insurance board to consider the protests of Orval Mosier, city manager of Oklahoma City, but the request for a reconsideration of the new rates was denied.

Accident Reduction Urged

HELENA, MONT., Nov. 14.—Commissioner J. J. Holmes has issued a strong appeal for reduction in automobile accidents. He called attention to the speed complex which is mainly responsible for the loss of 29,000 lives and injuries to 850,700 persons in automobile accidents last year. Careless driving and failure to observe common traffic regulations and courtesies account for a large share of the total accidents. Commissioner Holmes also deplored the high percentage of cars operating with defective brakes and head lamps.

New Liability Contract Is Offered for Warehousemen

NATURE OF COVERAGE GIVEN

National Bureau of Casualty & Surety Underwriters Explains New Policy Now Being Issued

NEW YORK, Nov. 14.—Company members of the National Bureau of Casualty & Surety Underwriters are now issuing a new liability form of contract under which warehousemen will be indemnified against financial loss from damage to property stored in their premises.

The nature of the coverage is thus set forth in the initial paragraph which reads in part: "The company—does hereby agree—as respects all merchandise, goods, wares, materials and property of every description (except money, securities and perishable goods) contained in the assured's warehouse—to pay on behalf of the assured all sums for which the assured shall become obligated to pay by reason of the liability imposed by law upon the assured as warehousemen, packers, forwarders, wharfingers or bailees, for loss of any such property—excluding all losses and damage caused directly or indirectly by fire or by the discharge of water or other fluid from sprinklers, and excluding all loss and damage of every kind occurring outside the premises."

How Rates Are Made

Rates are predicated on the construction of the warehouse, and on the amount of insurance required. A minimum annual premium of \$250 has been fixed. A further provision is that the insuring company shall only be liable for claims in excess of \$250. The policy was prepared by the burglary department of the National Bureau and jurisdiction thereof given it, as an intensive study of the general subject convinced that the principal hazards involved in the coverage are robbery or theft. That a real demand exists for indemnity of this character is unquestioned, numerous inquiries for such protection having been made by warehousemen in recent months.

Hall Heads Organization to Check Accidents in Chicago

J. Dillard Hall, co-manager of the United States Fidelity & Guaranty in Chicago, has been named chairman pro tem of the committee to aid automobile accident prevention in Chicago. This organization is the result of a conference with A. W. Whitney, associate general manager of the National Bureau of Casualty & Surety Underwriters, with managers and general agents in Chicago last month.

Peter Malah, Chicago manager of the National Bureau, will be secretary of the accident prevention committee with the following members: George D. Webb, Conkling, Price & Webb; Wade Fetzer, Sr., W. A. Alexander & Co.; Allan I. Wolff, Associated Agencies; Arthur S. Schwartz, president of the Insurance Brokers Association of Illinois; H. A. Behrens, president Continental Casualty; J. E. Callender, manager Ocean Accident; G. H. Moloney, vice-president Hartford Accident, and Freeman C. Read, assistant manager Globe Indemnity.

The automobile accident situation in Chicago is critical. The first ten months of 1934, 914 were killed by automobiles, a gain of 84 over last year. The total number of accidents was 16,615, an increase of 1,549.

Mr. Whitney is expected to visit Chicago the week of Nov. 19 and will discuss with the committee ways and means for having casualty agents take an active part in accident prevention work in Chicago.

Insurance Is Great Aid to Aviation, Rickenbacker Says

ACE SEES GREATER SAFETY

Expects Improvement of Next Three Years to Equal Great Strides Made Since 1931

Insurance has taken to the air, and has given aviation the financial guarantees without which capital would have been attracted only with the utmost difficulty, if at all, Col. E. V. Rickenbacker, war ace, aviation executive and D. S. C. and Congressional Medal of Honor man, declared in a fine article in "The Marylander," publication of the Maryland Casualty.

He dealt at length with insurance in relation to aviation, and also discussed increased safety factors and the great advances made in flying in the last three years. He expressed belief that relatively the same improvement will occur in the succeeding three years, with development of additional safety devices, speeds of well over 250 miles an hour.

Insurance a Vital Factor

Insurance has contributed to every phase of aviation development. "The big insurance companies," he commented, "casualty and fire—with pooled resources of a hundred million dollars, not only protected the industry against financial hazards, but by their very attitude encouraged business and technical men to devote themselves more intensely than ever to the establishment of a literal honeycomb of air lines from one border of the United States to the other. In the early development of commercial aviation, lack of insurance facilities was one of the greatest handicaps to the enterprise."

"Insurance, too, has served other purposes. Underwriters are vitally interested in increased safety. It means better risks, whether in aviation or in a machine shop. The steps fire and casualty companies have taken have helped improve lines. Both by education and by constructive work along development lines they have encouraged safe lines. The force of their efforts probably has been felt more fully in the field of pilots flying individually owned planes—whether for commercial purposes, for personal business or pleasure jaunts."

"In this side of aviation perhaps lies the interest of the average insurance agent, because individual flying is going to grow rapidly as aviation becomes safer and more nearly fool-proof. Small ships at moderate initial cost, susceptible of operation as economically as an automobile, are just around the corner if not actually here. In the very near future insurance men all over the country will discover this a personal field for their sales talents."

"With the brains of far-sighted business men and the practical flyers behind aviation insurance, there is no question that flying and insurance will go hand in hand to a point which, if we attempted today to visualize it, would throw most of us into a mental tailspin."

Chicago Lloyds Is Offering Occupational Auto Rating

An occupational rating plan on automobile public liability and property damage on private passenger cars which allows a total of 28 percent discount from manual rate is now being offered by Chicago Lloyds. There is 20 percent regular discount allowed under the Lloyds plan and 10 percent under occupational rating. While selection is said to be strict, occasional business use of a car will not make a risk ineligible.

E. J. Gannon, III, and R. H. Knochulzen of Dallas have organized a new agency under the name of **Knochulzen & Gannon** with offices in the Slaughter building.

Amount of Compensation for the Intermediary Up

WOLFE FIRM BROUGHT SUIT

Question Arose as to Fee Claimed for Making Reinsurance Deal with International

Judge Hand of the United States Circuit Court of Appeals in New York City reversed the judgment for the plaintiff in the lower court and ordered a new trial in the action brought by Lee J. Wolfe, W. M. Corcoran and W. F. Smith, partners in the actuarial firm of S. H. & Lee J. Wolfe, vs. International Reinsurance. The Wolfe firm in New York City for a number of years acted as auditor for the United States Casualty. In December, 1931, Mr. Wolfe discussed with its officers the question of some reinsurance. It was agreed that he should learn whether C. M. Hansen, president of the International Reinsurance, would undertake the matter.

Dispute Over Commission

Mr. Wolfe testified that he telephoned to Mr. Hansen in Chicago that he was offering the latter reinsurance as an intermediary "subject to the usual 2½ percent commission." Mr. Hansen at the trial testified that nothing was said about the commission and he supposed that Mr. Wolfe was representing the United States Casualty as actuary. After the reinsurance was effected, Mr. Wolfe sent a bill of \$13,802 to the International Reinsurance for commission. The International refused to pay. The Wolfe firm filed suit. At the trial it was brought out that the officers of the United States Casualty did not know that Mr. Wolfe's firm expected to be paid by the International. The jury brought in a verdict for the plaintiff and a verdict was rendered for \$15,459.

Carl M. Hansen Is Indicted on the Charge of Fraud

TRENTON, N. J., Nov. 14.—U. S. District Attorney Besson has released an impounded indictment charging Carl H. Hansen, president International Reinsurance and the Insurance Management Corporation, with defrauding stockholders. Mr. Besson had been notified by the federal authorities at Butte, Mont., that Mr. Hansen had been arrested there last Saturday.

The indictment charges Mr. Hansen with "devising a scheme and artifice to defraud a class of persons comprising the holders and those who could be induced to become holders of the shares of capital stock of the International Reinsurance of California and the International Reinsurance of Delaware."

The International Reinsurance went into the hands of a receiver. It had taken over the Independence Indemnity of Philadelphia, the Commonwealth Casualty of Philadelphia and the Public Indemnity, American Mine Owners and Liberty Surety of Trenton.

Not Under Hurd Act

BALTIMORE, Nov. 14.—A bond given by a sub-contractor to a contractor on U. S. government work does not come within the provisions of the Hurd Act (U. S. Comp. Stat., Sec. 6923), according to the court of appeals of Maryland in the case of the Trimount Dredging Company et al vs. U. S. Fidelity & Guaranty. The Hurd Act provides that any person entering into formal contracts with the United States for public work shall execute the usual penal bond with the additional obligation that the contractor "shall promptly make payments to all persons supplying him with labor and materials in the prosecution of the work." The bond

Monopolistic Proposals Are Expected Following Election

LABOR INTERESTS IN DRIVE

Effort to Create Workmen's Compensation Funds in New York, Minnesota, Other States

NEW YORK, Nov. 14.—One result of the recent general election, casualty company managers anticipate, will be a determined drive by labor interests to secure enactment of monopolistic workmen's compensation funds in several states, especially in New York and Minnesota. In the first state a monopolistic bill was presented regularly in each of the past six years, opponents having a hard time to defeat it.

With the complexion of the new legislature overwhelmingly Democratic—which party in the main sponsored the monopolistic bills—and with Governor Lehman advocating the project, a law of that character very likely will be adopted when the legislature meets in January.

Ohio Now No Model

New York has had a state compensation fund for a number of years, but it is not monopolistic, and its competition has not been particularly felt by private carriers. In advocating a monopolistic law there, its champions used to "point with pride" to operation of the Ohio law, holding it a model to be patterned after. Recently, little has been heard of the Ohio plan, possibly due to the disclosures there indicating that state funds are no more immune from excessive losses than private corporations.

Further Study of Illinois Car Liability Act Is Urged

Although the proposed financial responsibility bill in Illinois incorporates many excellent features, the laws of other states include elements which might be worth consideration, G. Gale Roberson, Chicago attorney stated in a paper delivered at the November meeting of the Insurance Lawyers Club there. He urged that the proposal be studied further and a carefully drawn bill be submitted to the legislature.

Mr. Roberson said two bills submitted in Illinois last year were on a par with the Massachusetts law, making proof of financial responsibility a condition precedent to securing a car registration certificate. The car owner with property usually has a sense of responsibility, and therefore really needs insurance and regulation much less than the car owner who does not own property and is judgment proof. The extent to which indigent motorists have hidden behind the fact that they are judgment proof has been responsible for adoption of financial responsibility laws in 22 states, Hawaii and all Canadian provinces, he said. Practically none of the southern or western states except California, however, has such laws.

Surety Men to Hold Party

Great secrecy surrounds the special entertainment program prepared for the annual meeting of the Surety Underwriters Association of Chicago, to be held Nov. 20 in the Little Bohemia, Chicago. It is promised, however, that it will be unusual. The election of officers is the only business scheduled, W. W. Steiner, resident vice-president United States Casualty, heading the ticket to succeed President E. C. Anderson.

taken by the contractor from the subcontractor was merely the usual completion bond, without the payments clause. The ruling is that the payments clause cannot be read into the bond, since the contract in question was not entered into with the government.

Goes to Senate



G. L. RADCLIFFE, Baltimore

George L. Radcliffe, first vice-president of the Fidelity & Deposit, who was elected on the Democratic ticket as United States Senator from Maryland, has a distinguished career, both in business and civic life. Mr. Radcliffe is not new to public service. He is a former secretary of state of Maryland. President Roosevelt appointed him as regional director of the public works administration. He has served on a number of civic and public committees.

Bulletin Service Provides Information in Handy Form

Many agents are not familiar with the Fire Casualty & Surety Bulletins, published by THE NATIONAL UNDERWRITER at Cincinnati. The F. C. & S. Bulletins, in loose leaf form, classify and analyze a mass of information that agents need in accurate form to serve their clients. They are kept up to date. For instance, in the November release of 32 pages, nine pages are devoted to multiple locations (I. U. B.) coverage. The way information is kept up to date in the F. C. & S. Bulletins is strikingly shown by the designations for these new pages, as follows: Gc-1 and 2, seventh printing; Gc-3 and 4, eighth printing; Gc-5 and 6, ninth printing; Gc-7 and 8, seventh printing; Gd-3, sixth printing. Pages not affected by the new rules of course are not reprinted.

Rules Often Interpreted

The F. C. & S. Bulletins do not attempt to replace or restate the manuals or other underwriting rules, but they often interpret them, and point out how they apply to risks that the agents meet. The loose leaf arrangement, with thumb index tabs for the various divisions and an excellent alphabetical index revised twice a year, makes the information instantly available to subscribers. The sheets are filed in two loose leaf binders, one for fire and the other for casualty and surety. The service consists ordinarily of 16 pages per month, usually on new subjects, so that the service is constantly growing, but when changes are numerous the monthly distribution is much larger. For instance, in October each subscriber got 56 new or reprinted pages of up to date material.

Often an agent needs vital information quickly in order to give service on an important line. The F. C. & S. Bulletins is designed to meet their needs. It not only gives a great deal of underwriting information but also has innumerable valuable selling ideas. In some cases a complete sales plan or presentation is worked out. The service is sold on the easy payment plan.

Underwriters Are Watching Two Construction Projects

TOWNER BUREAU MAKES RATE

Huge Performance Bonds Involved in Work on California Water and Gallipolis Dam Facilities

NEW YORK, Nov. 14.—Surety underwriters will watch with close interest the opening of bids for work upon two large building projects in the next three weeks, for substantial performance bonds for those undertakings will be required.

The metropolitan water district of southern California, at its office in Los Angeles, Nov. 27 will open bids for delivery of 800,000 barrels of Portland cement on monthly requisitions from February to December, 1935, the successful contractor to furnish a performance bond of not less than 20 cents a barrel for the maximum number of barrels. In addition bids will be opened for supplying 5,000,000 barrels under monthly requisitions from July, 1935, to December, 1938, under the same performance condition. Schedule 2 calls for furnishing bulk cement and its delivery at the site of the work. Under this a bond of not less than 25 cents a barrel will be demanded.

Towner Bureau Rates

For the bond under the first specification, the Towner Rating Bureau has fixed the rate at \$10 per thousand on the amount of contract, the charge for the second to be \$20 per thousand and for schedule 2, \$40 per thousand each for the term of the contract.

The United States Engineers Office at Huntington, W. Va., will open bids Dec. 5 for construction of the Gallipolis dam on the Ohio river, the cost of the work being estimated at \$2,750,000, and the probable time required for its completion 900 calendar days. A performance bond of 50 percent of the contract award will be required, the rate for the indemnity to be \$16 per thousand for the contract term.

Each of the above mentioned rates was computed upon the basis of a 12½ percent acquisition cost, of which 7½ goes to the business producer.

Missouri Public Liability Situation Deemed Serious

KANSAS CITY, MO., Nov. 14.—The seriousness of the public liability situation in Missouri, particularly in the western half of the state, was indicated by the meeting here of the insurance committee of the chamber of commerce to consider remedial possibilities. Among agents attending were Cliff C. Jones of R. B. Jones & Sons, chairman of the committee; Lyle Stephenson; George Oppenheimer, Oppenheimer Brothers agency; Myron Platt, manager Travelers; L. L. Bebout, vice-president of the U. S. F. & G.; Clyde Bissett, manager of the Aetna Casualty, H. F. McElroy, Jr., of Thomas McGee & Sons.

At a follow-up meeting next week, subcommittees appointed by Mr. Jones will report on the legal, medical and insurance phases of the problem. Companies are finding it difficult, even impossible, to secure coverage, which in some instances may mean bankruptcy, Mr. Jones pointed out.

Denied Right as Sureties

OLYMPIA, WASH., Nov. 14.—Grain and milling corporations owning warehouses cannot act as surety on each other's bonds, according to a ruling of the attorney-general. Four grain warehouse bonds, each for \$50,000, specifically were rejected, and many others are involved. The attorney-general holds as the corporations have not complied with insurance laws they cannot do surety business, such as signing the bonds.

Criticism of Restrictions of Automobile Fleet Rate

A. P. Lange, who has charge of the insurance department of Hale Bros. Stores of San Francisco, is of the opinion that the supposed evil of writing improper automobile fleets is greatly exaggerated. He thinks there is a logical reason for including the personal cars of executives and employees in the list of corporation or business cars. Presumably Mr. Lange would put the bars up against fleets at that point. In other words, he would not sanction the granting of fleet rates to groups that were improvised solely in order to try to force a fleet rate through. In 1930 Mr. Lange sent a letter to Isaac Prager of the Travellers on the subject.

Claims to See Inconsistency

This letter is as follows:

"Your recent request that we consider group life insurance for our organization coupled with the fact that the Travellers companies write various kinds of insurance coverage must be our justification for bringing to your attention what seems to us an inconsistency and which may ultimately prove an embarrassment to you in furthering group life insurance. We refer to the movement here and elsewhere to prevent or curtail fleet insurance on automobiles. In soliciting group life insurance the point is always made that employees will be able to secure insurance on more favorable terms, which point we readily concede. Whether or not we would benefit thereby because of decreased labor turnover we are not prepared to say and because of this we have seriously questioned the advisability of our devoting time and attention necessary to this form of insurance."

Distinct Advantages Seen

"In the case of fleet insurance on automobiles there are distinct advantages to the three parties concerned: The automobile owner has the benefit of lower costs and of being certain that his insurance is properly written; the company has the benefit of having the applications prepared in proper form and at a minimum of expense in issuing the certificates; we have the benefit of being named as an assured which to us is of consequence inasmuch as we may at any time use the cars of the officers, executives or employees for the furtherance of our business. It seems, however, that certain insurance interests are seriously opposed to the fleet system of insuring automobiles on the simple ground that it is unethical to group in one a number of cars not under common ownership even though there is a common insurable interest."

Mr. Lange's Further Comment

Mr. Lange in his letter to THE NATIONAL UNDERWRITER says:

"It should surprise no one that the insurance commissioners are becoming concerned over the possibility that they will be charged with applying to group accident and health and group life insurance the same principles that they have applied to certain automobile fleets. The surprise should be that it has taken them so long to realize that this was certain to come."

"As a salaried buyer of insurance for my principals and the executives and employees of our stores, there is no part of my work which is more onerous and more distasteful to me than that occurring in connection with automobile insurance. Notwithstanding this I have always felt that it is very much to the advantage of our organization to have automobile public liability and property damage on the cars of individuals connected with our organization placed in the same company which carries such insurance for the organization itself."

"The advantage lies, of course, in the fact that cars owned by anyone connected with our organization are fre-

quently used in our business in a casual manner. In other words, we have an insurable interest in these cars, and while it is true that our insurable interest can be protected through the medium of a contingent liability policy, the ideal arrangement is to have all cars insured by the same company and then supplement this with a policy covering our contingent liability. Contrast this with group policies of health, accident and life insurance. What insurable interest (other than a remote theoretical one, perhaps a socialistic one) has an employer in providing such insurance for the employee.

"At the present time we carry no fleet policy of any kind. The two reasons which have caused us to discontinue doing so are the immense amount of work which this entailed upon us, and the continuous cry of fictitious fleet from various persons and interests. The result is noticeable. Individuals, finding no one in the organization to assist them in placing their insurance, have shown a growing tendency to dispense with that important coverage. Today about two-thirds of the cars owned by employees of this organization carry no insurance whatever. Is it not possible that the hue and cry raised against fictitious fleet insurance has proven a boomerang, and that it would seem advisable to amend the definition—'fictitious'—to exclude all cases where there is a common insurable interest in cars under different ownerships?"

Workmen's Compensation

Report Is Made on Ohio Fund

Some of the Highlights on the Monopolistic Workmen's Compensation Department Are Shown

The Ohio State Insurance Fund assets are \$39,093,349, reserves \$35,408,913, surplus \$634,989, receipts last year \$8,820,381, disbursements \$12,896,361. It is interesting to see that the excess disbursements during the last five years amount to \$17,095,261. The assets were reduced \$1,751,278 during 1933, while the reserves were reduced \$2,270,358. The report of the actuary as to receipts and disbursements is as follows:

Year	Receipts	Disbursements	Excess of
			Disbursements
1929	\$16,221,264	\$16,282,539	\$ 61,274
1930	14,004,755	16,165,029	2,160,274
1931	11,544,899	16,077,209	4,532,310
1932	8,140,584	14,406,006	6,265,422
1933	8,820,381	12,896,361	4,075,979
Totals	\$58,731,884	\$75,827,146	\$17,095,261

Receipts increased 8.4 percent in 1933. This is in contrast with a sharp decline in receipts since 1929. Disbursements declined 10.5 percent in 1933, maintaining a similar ratio of decline to that of 1932, while it will be noted that disbursements declined very slightly in 1930 and 1931.

Had to Draw on Reserves

Due to disbursements being required to be made on claims over a long period of years, current conditions do not quickly affect disbursements. This comparison shows that the demand upon the reserves of the fund reached its peak in 1932 when disbursements exceeded receipts by \$6,265,422, while in 1933 the excess disbursements was reduced to \$4,075,979. The total of excess disbursements for the five years ending 1933 disclosed that \$17,095,261 of disbursements were made from invested reserves and surplus during the depression, of which \$11,870,333 was from claims reserves and \$5,224,927 from the statutory and general surplus funds.

While the receipts and disbursements indicate a very favorable trend during 1933, which favorable trend is continued through the first half of 1934, there is still a large drain upon the fund to meet

reopened and continuing claims on accidents occurring in earlier years, many of which claims had become dormant prior to 1929 and were subsequently reopened. Approximately \$10,400,000 of the total disbursements of \$12,896,361 for the year 1933 was on claims for accidents occurring prior to the year 1933. It is noted the receipts of 1933 are at a level of 45.6 percent below the receipts of 1929, while disbursements of 1933 are at a level of only 20.8 percent below the disbursements of 1929.

Tells About Revised Rates

In speaking of the revised rates, the report says:

The revision of rates effective July 1, 1934, maintains the same general level as last year. While the fund shows a favorable trend the surplus of the fund has not been replenished to a point that would warrant a general decrease in the rate level. At this point it is worthy of note that workmen's compensation rate levels in other states are still being increased.

It was found necessary to increase the rates of some industries due to the unfavorable trend of the accident cost experience of these industries, while on the other hand rates have been reduced where the experience of the industry shows a favorable trend.

The construction classifications with only a few exceptions continue to show an adverse trend, therefore, requiring a sharp rate advance in many instances. Utilities and manufacturing industries generally show a favorable trend, thus a large number of these classifications carry reduced basic rates.

The revision carries no change in the basic rates on 295 classifications, increases in 139 and decreases in 125, this resulting in 25 percent of the classifications receiving increases, 22 percent decreases and 53 percent no change in the basic rate. Eighteen classifications have been discontinued due to the small amount of payroll and the operations formerly covered thereunder have been transferred to other classifications. The occupational disease rate remains the same at one cent per \$100 of payroll.

Fraudulent Claim Detected by Secret Motion Pictures

LINCOLN, NEB., Nov. 14.—Motion picture machines with telescopic lens may well be standard equipment for workmen's compensation claim agents in the future. The Nebraska supreme court, after viewing pictures taken surreptitiously of a suspected malingerer who had drawn \$4,000 over a period of eight years from an insurance company, entered an order releasing it from further liability. Mrs. Clausine Jensen, dishwasher in an Omaha restaurant, claimed she was permanently disabled by a fall while at work. She drew \$10.67 a week for 300 weeks and was given \$7.20 a week for life. Some months ago the Omaha agency neglected to send her the weekly check and she came after it. The way in which she hobbled about grabbing at furniture and using a crutch caused the agent to suspect her. Following her, he found that after a few blocks her lameness disappeared. Afterwards motion pictures were secretly taken of her, and displayed in the supreme court showed her going about her home beating rugs, carrying water and chasing chickens. She did not take the stand, and relied upon the testimony of four doctors who said she was unable to move about. The court says that all they knew was what she told them, and that their opinions were worth no more than their information, adding that "an opinion that a person cannot walk is overcome by undisputed evidence that she does walk."

Checks with Welfare Bureau

One active Chicago compensation claim man is checking malingerers cases by cooperation with the local welfare bureau. By this method he is able to uncover cases where men are receiving both welfare aid and compensation benefits, which together may equal the man's former wage. If the welfare organization is aware that the man is receiving compensation, it will withdraw its aid and thus cut down the injured man's income so that he is more apt to go back to work when he is able.

Henry Collins, United States manager of the Ocean Accident, was in Chicago last week en route to the Pacific Coast.

Rundown Buildings Bring Public Liability Claims

Casualty companies have had numerous public liability claims because of defects in buildings that have not been repaired owing to a lack of funds. All companies have noticed an increase in such claims. During the depression period the income from properties was not sufficient to warrant any appropriation for usual upkeep or repairs or at least the owners so concluded. As a result from many buildings falling parts have struck pedestrians.

Seek to Eliminate Cornices

In Chicago considerable progress is being made throughout the city toward the elimination of cornices on buildings. This is an old architectural ornamentation that is no longer used to any great extent. According to modern building construction the cornice is regarded not only as an obstacle to the circulation of light and air but constitutes a menace to pedestrians through possibility of falling when in poor condition. Undoubtedly these cornices depreciating and loosening have caused a great deal of danger. The building commissioner in Chicago is investigating cornices in buildings in the business district and is urging owners to remove them. Some of these buildings present difficult problems when it comes to eliminating the cornices.

Reasons for Removing Cornices

The building commissioner finds that cornices should be removed because of three primary reasons: First, danger from falling, second, obstruction to light and air, and third, cost of maintenance. During last winter it was observed that water leaked into the crevices of some of the cornices and froze, causing a section to fall into the street.

Architects call the cornice a throwback to design of ancient Greek times when it was the rule that a structure must have a base, shaft and crown—the cornice. In days gone by the cornice served more or less a useful service, also it afforded the lower part of a building some protection from the elements. This feature, however, no longer exists.

Guard Drunken Driver Data

NEW YORK, Nov. 14.—Records of casualty companies showing cases of drunken drivers are being carefully guarded in order not to irritate assured by publicizing their misconduct. This makes it difficult to secure any figures on the subject. However, in considering applicants underwriters are paying close attention to the liquor habits of the prospects. Degrees of intoxication vary and it is interesting to note the statements of Dr. H. A. Heise of Milwaukee at the Cleveland Safety Congress. He said that one ounce of whisky in the system would probably not intoxicate an automobile driver, but eight ounces would definitely impair the average driver's skill. Pennsylvania and Massachusetts have been particularly active against drunken drivers, cancelling several hundred drivers' licenses and imposing jail sentences upon many.

Rules Against Service Contracts

TALLAHASSEE, FLA., Nov. 14.—The service contracts offered by automobile associations are contracts of insurance, according to a ruling by Attorney-General Landis. The Florida Motorists Protective Association had taken up the legality of its service contract with Commissioner W. V. Knott, who secured the ruling from the attorney-general. Any liberal interpretation of the insurance laws would encourage attempts to establish companies not subject to the wholesome provisions of the statutes which are founded upon a wise public policy, said the attorney-general, and any attempts to evade them should be defeated.

ACCIDENT AND HEALTH FIELD

Has New Legacy Supplement

Pacific Mutual Issues \$100 Month Certain Income Agreement at \$10 Flat Premium

The life insurance principle that payment of policy proceeds in a lump sum is not in the interest of beneficiaries, has been adopted by the Pacific Mutual, which has introduced a "legacy supplement" paying proceeds of an accident policy in \$50 monthly instalments for 100 months certain.

A former supplement embodying somewhat similar features paid \$130 quarterly for ten years if the beneficiary survived, but could be paid only to one woman beneficiary named in policy. The new supplement may be made payable to more than one beneficiary, men or women, and to other than a beneficiary named in the policy. The supplement will be issued to men and women at the same premium rate, \$10 for all classes, whereas the old supplement was issued only to men, and at varying rates: class A, \$10; class B, \$12; class C, \$14 and class D, \$15.

Attached to Commercial Forms

The new supplement will be attached to any commercial accident policy, classes A to D, inclusive, which pays principal sum for loss of life, whereas the old supplement was not applied to the specific life and limb, specific feature accident, specific feature D accident or specific general accident contracts.

The new supplement will be attached to policies at date of issue, on renewal date, or for a term period of three, six or nine months preceding date of renewal, whereas the old supplement was restricted to new business at date of renewal only.

It is believed this new feature carries a strong personal and practical appeal to policyholders, especially those who carry life insurance arranged in some form of estate program. The guaranteed income idea is dominant in life insurance today and it applies with equal force to accident insurance proceeds. Spreading payment of proceeds over a period following the death of policyholder, the Pacific Mutual believes, is an arrangement better protecting the assured's family.

Acts to Conserve Funds

It avoids the necessity for beneficiary to invest or safeguard the insurance proceeds, leaving them in the hands of skilled company investment men, and affording assured's beneficiary the advantage of the wide spread of investments and the protection that comes from avoiding loss of entire proceeds if a particular investment should turn sour, or dissipation of proceeds such as frequently occurs when the beneficiary receives a lump sum payment.

Steins Chicago Club Speaker

The Accident & Health Insurance Club of Chicago at its luncheon meeting at the Hamilton Club, Nov. 21, expects to repeat the success that attended its first fall meeting, when nearly 150 were in attendance. The speaker will be Halsey Steins, one of the big producers of accident insurance in Chicago and a speaker at the Chicago club's first sales congress, who will tell how he does it.

Missouri National in New Home

The Missouri National Life of St. Louis has purchased and is now occupying a new home office building at 3927 Olive street. The Missouri National writes industrial, life, health and accident. It recently acquired the business of the Mid-State Life of Marshall, Mo.,

which had about \$3,000,000 insurance in force.

Kern-Mitchell Conducts Campaign

The Kern-Mitchell Insurance Agency of St. Louis, general agent for the Western & Southern Indemnity of Cincinnati, has announced an accident and health contest starting Nov. 5 and running to Dec. 31.

There are three prizes offered for accepted applications written during the period. A weekly cash award is made each week for the individual producer securing the most business during the week.

Additional commission will be paid to every producer on all business written during the period.

Provident Benevolent Loses Suit

SEATTLE, Nov. 14.—The Provident Benevolent Association of Seattle, which has been in a tangle with the Washington department for the past several months, charged with writing assessment life and accident and health insurance illegally, has lost its first round

in a legal skirmish with Commissioner Sullivan. The association's petition for a permanent injunction restraining the commissioner from interfering with its affairs was denied by the superior court. Attorneys for the association announced that they would appeal to the supreme court.

Aetna Traffic Safety Film Commands Big Ticket Price

The new highway safety film, "Saving Seconds," produced by the Aetna Casualty & Surety, has commanded greater box office prices than any other film production, not excepting famous Hollywood premieres. At a performance held in New York City at which the Aetna film was the sole attraction, prices ranged from \$2 to \$25. The house was sold out without a single pass or complimentary ticket. There were approximately 300 in the audience. Admission was by special invitation personally delivered by uniformed messengers. The doors were locked and no one was permitted to leave until conclusion of the film. This performance was held at the Manhattan Traffic Court, the audience being composed of motorists held for traffic violations. Magis-

trate Farrell determined the admission prices in meting out fines. The New York police department plans to exhibit the film in other traffic courts.

Miscellaneous Notes

H. N. Kruse and R. S. Blossom, both formerly of Swea City, Ia., have organized the Kruse-Blossom Agency at Algona, Ia.

The Firemen's group has retired from the Zinser Agency at Chillicothe, Ill., and all of the business of these companies has been reinsured by the Gulf of Dallas.

WANTED SPECIAL AGENT

• A real opportunity exists for a Special Agent who has following in Illinois territory with prominent stock automobile company to travel outside Cook County. Must be thoroughly experienced in auto casualty lines. Prefer man now employed. Write giving complete details of experience, background, etc. All replies strictly confidential.

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CHANGES IN CASUALTY FIELD

MARYLAND CASUALTY CHANGES

SEVERAL RESIDENT VICE-PRESIDENTS ARE APPOINTED; TRANSFERS MADE IN SEVERAL CITIES

The Maryland Casualty has made a number of changes throughout the field. C. S. Ashley, Jr., goes from St. Louis to New York City as resident vice-president. J. I. Barton is transferred from New York City to Kansas City as resident vice-president. H. A. Martin of Indianapolis becomes resident vice-president in St. Louis.

H. B. Quinn, resident manager in Detroit, becomes resident vice-president in the Detroit branch. J. F. Miller goes from Kansas City to Indianapolis as branch manager.

W. J. Welsh is transferred from Atlanta to Philadelphia as manager claim division. E. L. Castleton goes from Birmingham to Atlanta as southeastern branch manager. All the appointments are effective Dec. 1.

B. H. Bratney has been appointed in

charge of the surety division of the home office, including surety and fidelity underwriting and claims. Since 1918, when he liquidated the Equitable Surety, he has been identified in this field. He went to New York in 1922, doing special work in suretyship at Columbia University and later became associated with the National Surety's legal department. He became counsel for the Commercial Casualty in 1924 and five years later returned to the National Surety as its general solicitor. He undertook the work of rehabilitating the National Surety as special deputy in the New York insurance department and later was placed in charge of liquidation of the old National Surety.

Harold Crookes has been appointed manager of the Washington service bureau with L. N. Marceron as assistant.

OPENS ADJUSTING OFFICE

Walter W. Davis has opened an independent adjuster's office in the Stickney building at Longview, Tex. He will handle casualty, fidelity and surety claims. He has had 16 years' experience in the work. Longview is cen-

trally located in the east Texas oil fields. He served as claims attorney for the Fidelity & Casualty up to July 1, this year. Previously he had been with the United States Fidelity & Guaranty and Union Indemnity.

TRINITY UNIVERSAL IN ILLINOIS

Funkhouser-Smith of Springfield, Ill., general agents, have taken the Trinity Universal of Dallas for Illinois outside of Cook County for all casualty lines. Funkhouser-Smith are general agents of the Corroon & Reynolds companies in the state outside of Cook County. This general agency is moving along in splendid shape and has built up a desirable agency plant. Inasmuch as it confines its attention to Illinois it studies Illinois conditions and problems.

E. L. WALSH MAKES CHANGE

E. L. Walsh, formerly Indiana claim manager for the Union Indemnity, is now with the Robert Denton Adjustment Company, Fort Wayne, Ind.

DE ROSTANG IN DETROIT AGENCY

DETROIT, Nov. 14.—Pierre de Rostang, formerly with the LaBrosse & Co. agency in Paris, France, has been named vice-president of Willette & Hughes, Detroit general agents of the Globe In-

demnity, Hartford Steam Boiler, Maryland Casualty, St. Paul-Mercury Indemnity and Standard Accident. G. A. Hughes is president and treasurer and E. L. Dwyer secretary of the agency.

ASSOCIATIONS

CINCINNATI CASUALTY MEN ARE PREPARING TO ORGANIZE

Organization of the Cincinnati Casualty & Surety Association will be discussed at a meeting called for Nov. 20. It is many years since there has been a casualty organization in Cincinnati. In a letter sent out by the organization committee, it is pointed out that casualty premiums in Ohio in 1933 were \$32,000,000, \$1,000,000 more than the fire premiums, and in every multiple line office the casualty lines have become increasingly important.

It is proposed that the membership shall consist of representatives of casualty, fidelity and surety companies operating in Hamilton county who will be divided into four classes: Local agents, general agents, branch managers and brokers or solicitors, the last group non-voting members.

The organization committee consists of E. R. Buss, J. H. Dickerson, J. T. Dillhoff, H. B. Hupp, E. A. Kinker, J. E. Klein, H. W. Looker, A. T. Mullen, W. R. Perkins, Theodore Safford, A. G. Tow and J. A. Haass, chairman.

WILLIAMS DES MOINES SECRETARY

DES MOINES, Nov. 14.—O. I. Williams, Aetna Casualty, was elected secretary of the Casualty & Surety Club of Des Moines to succeed W. K. Freeze of the same company, who was transferred to Dallas.

Recent election returns and proposed legislation furnished the subjects for discussion. George A. Voth is president of the club and presided at the meeting.

MINNEAPOLIS CLAIM MEN ELECT

MINNEAPOLIS, Nov. 14.—J. F. Dulebohn of the Minneapolis Street Railways Company has been named president of the Claim Men's Association. G. P. Mahoney, attorney, is vice-president; Harvey Brothers, underwriter at Lloyds, treasurer, and Paul Clement, Minnesota Commercial Men's, secretary.

HALL TALKS ON PREVENTION

J. Dillard Hall, co-manager of the United States Fidelity & Guaranty in Chicago, talked to the Casualty Club of Chicago this week on automobile accident prevention.

BOSTON ASSOCIATION ELECTS

BOSTON, Nov. 14.—At the first annual meeting of the Association of Casualty Underwriters of Boston these officers were elected: President, L. I. Madden, Aetna Casualty; vice-president, R. H. Taylor, Employers Liability; treasurer, J. P. Flanders, Home Indemnity; secretary, W. D. Neese, Standard Accident. The membership has been increased from six to 36 in the first year. It was voted to appoint a legislative committee and keep the association informed on such matters.

BAKER KANSAS CITY SPEAKER

G. Clay Baker, Kansas compensation commissioner, talked to the Kansas City Claim Men's Association. The next meeting, December 3, will be devoted to a discussion of "fake" claims.

Tom Nuckles of Kansas City, state agent in the farm department for the Springfield Fire & Marine in Missouri, is confined to his home with a severe illness.



The progressive agent is coming to understand more and more the practical help his company can render.

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Continental co-operation is practical, profitable, profound. It will weather the most exacting scrutiny. Its completeness is both evidence of Continental DURABILITY and a guarantee of agency progress.

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CASUALTY PERSONALS

Winant Van Winkle, vice-president of the Commercial Casualty of Newark, was elected to the state senate of New Jersey from Bergen county at the election last week.

Nelson J. Edwards, manager of the Preferred Accident in Cincinnati, is rounding out 45 years service with the company and is probably the oldest field man in point of service connected with it. For a time he acted as southern Ohio superintendent of agencies and was also for quite a long period manager of the company in London, Eng. The "Preferred Perambulator," edited by "Preferred" Potter, one of the greatest superintendents of agents the accident business has had, and now president of the company, published in April, 1897, a sketch and picture of young Mr. Edwards. He was born at Vicksburg, Miss., in September, 1867, educated at Mississippi Military Academy and began business as assistant postmaster at Middleboro, Ky., where the Preferred discovered him in 1889. From local agent he became state agent for Kentucky and in 1892 went to Cincinnati. He has served as president of the Cincinnati Fire Underwriters Association and has been prominent in the life of his home city. He has been and is one of the wheel horses of the Preferred.

W. Irving Moss, former president of the Union Indemnity, New Orleans, has resigned as vice-president and director of the Standard Fruit & Steamship Corporation and will devote his time to the Hartwig Moss Insurance Agency, of which he is president, and to other corporations there with which he is affiliated.

S. B. Brewster, manager of the burglary department of the American Surety since the company entered the line in 1915, until he was placed on its retirement list in January, 1933, because of continued illness, died at his home in Mt. Tabor, N. J. He was one of the best known as well as one of the best informed burglary underwriters of the country, having been identified with the business for many years. His first association was with the Aetna Indemnity, after which he joined the staff of the New Amsterdam Casualty, later for a long time serving as secretary of the Burglary Underwriters Association, which post he left to establish the burglary division of the American Surety. A son-in-law, F. C. Earl, is head of the safety engineering department of the American Surety and its ally, the New York Casualty.

F. Highlands Burns, chairman of the board the Maryland Casualty, is on a tour of Texas agencies, including Dallas, Fort Worth, Houston, San Antonio and El Paso.

Miss Elizabeth Lindstrom, manager of the woman's department of the North American Accident, was able to be back at her office this week for the first time, after being confined to her home for a number of weeks with a broken ankle. The injury was sustained when she slipped on the wet sidewalk at the entrance to the building in which the North American's offices are located.

Louis J. Kempf, the new secretary of the liability department of the Travelers, last week received a handsome combination office clock and barometer from the Insurance Federation of Illinois, in appreciation of his service to that association for many years while he was head of the Travelers liability department in Chicago. The gift was most conspicuous, because Mr. Kempf had just been installed in his new office and was equipped with only temporary furnishings of a meager sort. Therefore the clock was the outstanding feature of

the room and Mr. Kempf was showing it proudly to visitors.

George E. Turner, president of the First Reinsurance, is performing Thursday evening of this week in scintillating, Hoosier style at the first banquet of the Indiana Society of Hartford, being president and grand exalted founder. The society has attained proportions and the Indiana expatriates in Hartford have become Indiana-conscious. Among other insurance people in the society are C. G. Hallowell of the Aetna Casualty, Justice Paul, general agent Equitable Life of Iowa, G. D. Newton of the advertising department of the Travelers, R. L. Fosbrink of the Aetna Casualty, Thomas P. Harvey, general attorney for the Travelers, and L. K. Babcock, head of the Aetna Casualty claim department.

J. W. Randall, vice-president of the Travelers in the liability department, plans to attend the annual meeting of the National Convention of Insurance Commissioners in St. Petersburg in De-

cember. This will be his first visit to a commissioners' convention. In the past the Travelers has been represented at these gatherings by the late R. J. Sullivan. Since Mr. Randall succeeds to the office left vacant by the death of Mr. Sullivan, he becomes initiated into the National Association of Camp Followers.

State Fund Move Expected in Minnesota Legislature

MINNEAPOLIS, Nov. 14.—Convinced that state fund insurance in some form will be attempted at the coming session of the Minnesota legislature, the legislative committee of the Insurance Federation of Minnesota met here yesterday to survey the situation.

With the Farmer-Labor party swept into most of the state executive offices at the election on its "anti-capitalistic-cooperative commonwealth" platform, insurance interest now centers on the makeup of the legislature on which the carrying out of the socialistic program will depend.

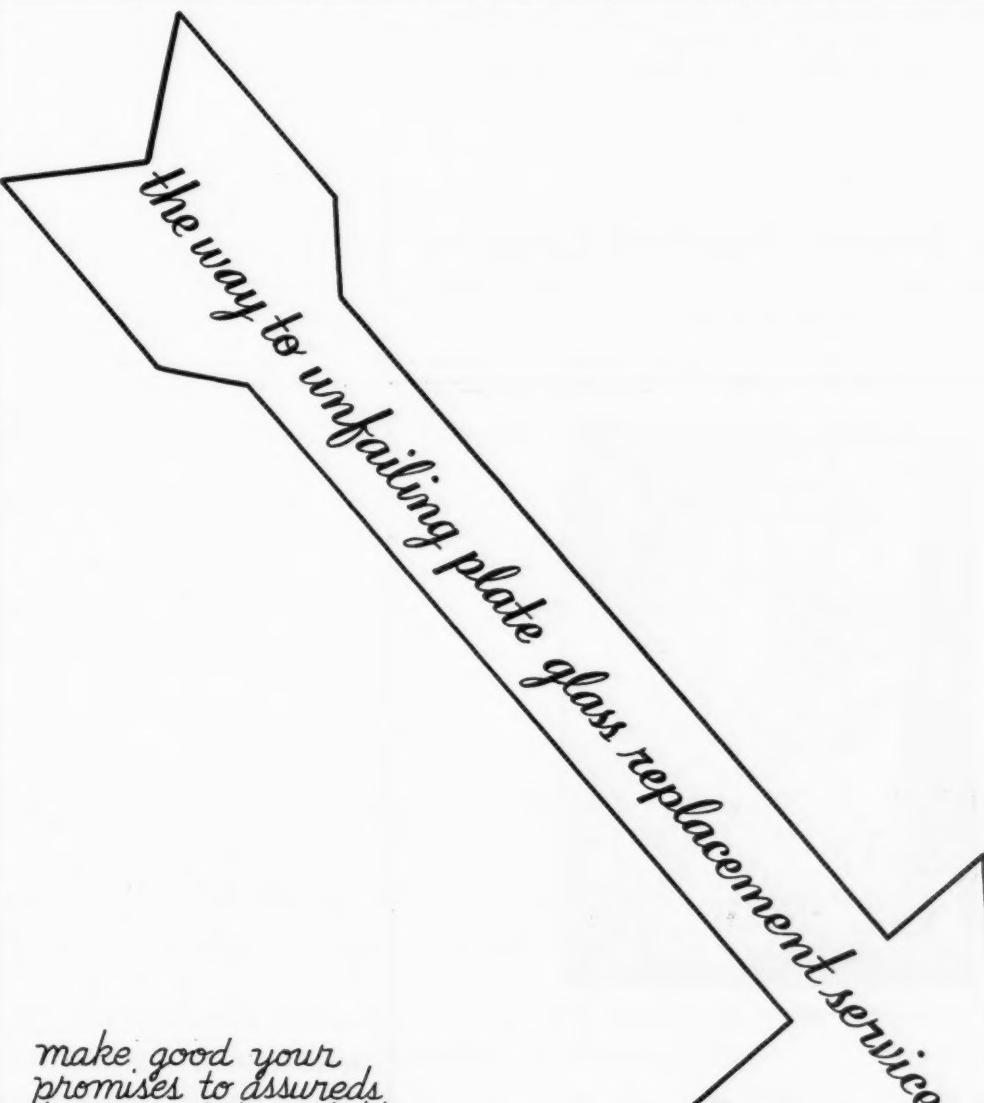
Present indications are that Governor Olson will find strong opposition to his state fund insurance proposals in both branches of the legislature. The senate

is safely conservative, 40 out of 67 members, while the prospects are that 80 members of the 131 in the house will line up against radical legislation. In view of this, insurance leaders are hopeful that the entire Olson insurance program will be defeated, although they are preparing for a bitter fight.

Olson to Push Program

Within 24 hours after his reelection was assured, Governor Olson announced that his party would at once take steps to carry out its cooperative commonwealth program. This includes the taking over by the state of many major activities now carried on by private companies and individuals. Some weeks before election, however, the governor advised Secretary Clyde B. Helm of the Insurance Federation that he did not contemplate embarking in all lines of insurance. He indicated that the state might undertake state fund compensation insurance and federation officials expect a bill providing such to be presented early in the coming session.

Mr. Helm has been out over the state much of the time the past six weeks, surveying legislative prospects. George W. Wells, former insurance commissioner and now secretary of the Northwestern National Life, is chairman of the legislative committee.



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Colorado Agents Elect W. J. Sproul

(CONTINUED FROM PAGE 3)

operate in eliminating the competition of part-time agents.

A resolution covering the multiplicity of agents question recommended that the association continue its activity to correct this evil and that local board report the names of undesirable agents to the secretary of the supervisory committee of the Rocky Mountain Fire Underwriters. Figures were cited to show that there has been no diminution of the multiplicity evil. The amendment passed by the last legislature making it mandatory for the insurance commissioner to examine the qualifications of agents has not been invoked. Agents do not wish to bring more government interference than necessary and feel that the problem can be solved through company cooperation, the resolution stated.

The maintenance of a high financial and ethical standard for both insurance companies and their agents was urged. In reiterating the principle that expatriations are the property of established local agents, it was stated that if agents seek to curb evils caused by others, they must conduct themselves on the highest possible plane.

Year of Achievement

In his report as retiring president, Myron S. Collins called the year one of achievement, both for the National and the state association. He pointed particularly to the establishment of the National office in Washington, its efforts on cotton insurance and work in connection with HOLC insurance. He mentioned also the new mandatory powers of the Colorado commissioner in examining agents' qualifications. He urged increased cooperation in membership in city, state and national organizations.

S. T. Jones, Jr., Pueblo, spoke on "Agents Qualifications and Lack of Enforcement of the State's Licensing Laws." He declared that what Colorado needs is a strong qualification law requiring examination before licensing. "Advantages of Belonging to the Local, State and National Association," were presented by the new president, W. J. Sproul.

Steel Gives Report

N. C. Steel gave a report on the work of a special committee which met with the supervisory committee. Favorable consideration is being given to the elimination of charge for vacancy permit.

D. U. Hampton, Colorado Springs, scheduled to speak on "Colorado Workmen's Compensation Law," was unable to attend but sent a written report. It stated that it is essential for agents to pay more attention to the losses. Agents should get the assured's cooperation in eliminating unimportant claims. An attempt should be made to secure more adequate compensation rates.

In discussing "Unlicensed Companies," A. P. Miller of Denver stated that experience has proved the evil can't be corrected within the states, that the only cure lies in national legislation.

The directors met immediately preceding the regular gathering.

Braithwaite Reelected at Maine Agents' Annual Meet

(CONTINUED FROM PAGE 2)

agencies and organizations in insurance are here to stay. As a committee rater, Mr. Hinkley said, in the past he did his share of "log rolling" on the high grade business and evened up by making the punishment fit the crime on moral hazard districts, so the state or town loss ratio showed a good average. That method is definitely over and with changes in population and a new claim consciousness, when schedule rating comes in, better underwriting on individual business must come in also. While the old times and high rate averages allowed "pitch fork" adjustments on an agency competitive basis, the present close margin demands justice, not settlement of losses.

He commented on the agency agitation in many states against brokers and company branch offices, and warnings to agents to get on their toes. This Mr. Hinkley interprets to mean that instead of merely kicking at the modern insurance developments, agents should use them, thus saving time for more intensive study and solicitation of business on modern lines. The various agencies in insurance are firmly entrenched in most other territories than Maine, and are needed under modern conditions. They are going to be used even more in Maine, he said, and the agents should take the entire benefit of them.

The most successful special agent today is the one who takes the time formerly used for loss committee rating, etc., goes out with the agent and cleans up on premiums. If this method is followed, the agent will not be bothered by large city brokers and branch offices. Any that do attempt to operate in the state will find the agents can furnish the same things they can and will be handicapped by the fact that the agents are the "home town" boys and will be given preference by the public.

No Settlement in Missouri Despite Agreement Rumors

(CONTINUED FROM PAGE 6)

of the cases. Should the companies win the cases it was generally conceded that the agents would receive their commission on the impounded premiums when they were finally turned over to the companies by the court. With more than \$10,000,000 of premiums now impounded, and the total jumping up daily, a 7½ percent commission for Mr. Howell should the companies win apparently would be upwards of \$150,000. However, his compensation would not be increased should he decide to associate other attorneys with him on behalf of the agents.

There is no provision that Mr. Howell is to be paid only in the event the companies should lose the rate case and he is still able to obtain for the agents commissions on the impounded premiums accumulated prior to the final decision in the case. The contract as drawn up has been approved by a special committee of the Missouri Association of Insurance Agents.

Protests New Rule

Protest has been filed with the National Bureau of Casualty & Surety Underwriters against the new requirement for an extra charge to cover the interest of a real estate managing agent in an owner's liability policy. The protest was made by F. M. Ledwith, president of Brooklyn Real Estate Board. The ruling objected to provides that policies written to cover one insurable interest shall exclude coverage for the liability of managing agents for claims made by employees of the primary assured unless an additional charge amounting to 10 percent of the premium is paid. "Under the policies issued prior to this ruling," Mr. Ledwith stated, "an agent, if his name was included along with the owner's, was protected against such suits at no extra charge. This coverage was reasonable and the agent was entitled to it."

Michigan Fund Stronger

LANSING, MICH., Nov. 14.—The Michigan state compensation fund, under the management of Commissioner C. E. Gauss for the past year, has improved its financial status with an increase in surplus of \$50,000. The fund must use the rates promulgated by the newly created Michigan branch of the National Council on Compensation Insurance. The use of solicitors for the state fund, which irritated local agents, has been discontinued.

Peculiar Points Seen in the Suit

(CONTINUED FROM PAGE 27)

resident engineers to the Michigan Insurance Agency due to the much larger proportion of machinery and breakdown insurance business written by the Michigan Agency than by the Warren Agency," Mr. Kerr asserted.

Relative to the testimony brought out in the trial of this case Mr. Kerr said: "The evidence showed that the Public Lighting Commission of Detroit advertised for bids for electrical equipment and machinery breakdown insurance in September, 1930. Of the bids submitted pursuant thereto the Michigan Insurance Agency, of which Walter B. Cary is president, submitted the lowest out of some 40 bids submitted. Mr. Cary underbidding all others to the extent of \$8,800 due to his inclusion in his bid of credits for suspension of equipment. Due to political bickering and influence brought to bear on the Public Lighting Commission all of these bids, including Mr. Cary's lowest bid, were rejected and on a subsequent readvertisement for bids all bids submitted, including that of Homer Warren & Co., were at the same figure as the Michigan Insurance Agency's bid on the first advertisement.

"Prior to the submission of these bids the Ocean Accident and the Columbia Casualty had segregated what was formerly a joint engineering department in Detroit and under this segregation had allotted certain resident engineers to the Michigan Insurance Agency and had assured Homer Warren & Co. that all business of this nature which they obtained would be adequately serviced from an engineering standpoint. This action was taken by these companies on account of the fact that the Michigan Insurance Agency had written over 30 times as much electrical equipment,

boiler and machinery breakdown insurance as Homer Warren & Co. had written since the Michigan Insurance Agency started to represent the Columbia in 1921.

"After submission of the second bids a committee appointed by the mayor of Detroit to look into the matter of this insurance refused to award the entire insurance to the Michigan Agency that had previously carried the insurance on this plant through the Columbia Casualty, but made a joint award of the insurance to the Michigan Agency and the Warren Agency. Subsequently it had been agreed by all parties in interest that in pursuance to this joint award the policy should be written with the Columbia Casualty through the Michigan Agency. However, it later developed that Homer Warren & Co. and the Michigan Insurance Agency were unable to agree on a division of the commissions on this business.

"Mr. Cary then protested the joint award to the common council and claimed that his agency should receive the entire insurance due to its original bid being several thousand dollars lower than all other bids. Considerable political wrangling resulted and some eight months later the common council rejected all bids and withdrew the placing of this insurance from the Public Lighting Commission and awarded the insurance to the Michigan Agency through the city controller due to substantial savings offered by that agency over all bids which had previously been submitted."

Heat Prostration Held Accident

A heat prostration is an industrial accident under the Kansas workmen's compensation law and the widow of the employee is entitled to the usual allowance under the law. This was the ruling in the claim of Mrs. Lucy F. Smay against the Henry Construction Company, H. J. Henry and the Central Surety.

Crime Prevention Urged to Cut Loss

(CONTINUED FROM PAGE 27)

in the number of captures and convictions, the number of bank robberies steadily increased. This showed that locking up bank robbers did not have the effect of stopping bank robberies.

The situation was carefully studied and such questions as the number of employees on duty, special precautions taken for safety of funds, average amount of cash on hand, locking of doors, etc., were studied. An analysis and study of robbery claims to determine the exposure, resulted in the requirement regarding the limitation of cash, etc., which was adopted last April in all territories. Underwriters are making a similar attempt to correct the poor experience on bankers' blanket bonds.

The tendency toward the modernization of bank equipment to assist in preventing losses was outlined by Mr. Wood. There has been constant agitation for installation of modern anti-holdup devices. It is impossible to make a bank absolutely impregnable to robbery although every effort should be made to make it more difficult. The longer it takes to accomplish a robbery the greater the danger to the bandits. The larger the amount of cash and securities readily available, the greater the temptation, so the reserve cash and securities should be made as inaccessible as possible.

The difficult fidelity losses to detect are those involving the suppression and manipulation of a bank's record. The losses may extend over a long period.

Progress in Surveys

So far all the burglary and robbery insurance assured and about half the blanket bond assureds have been surveyed. Answers to questionnaires show that many banks that have strong pro-

tection facilities on some hazards are careless about others.

"We struggled for many years with a patience that now seems remarkable before concluding that loss prevention must be the solution of the problem," said Mr. Wood. "No bank wants to suffer a loss. It would rather prevent than suffer the loss. If a loss is suffered, the amount may exceed the insurance carried, which would be costly to the bank. Even though a loss is fully covered, there is a charge for restoring the insurance. If no losses are suffered, the bank is not subject to these costs. The effect on the general public of any loss suffered by a bank also requires consideration."

Talks Given on Boiler Lines in Royal and Eagle Courses

For the third successive year the Royal Indemnity and Eagle Indemnity are conducting a series of lectures and meetings on casualty insurance coverages held in the lecture room at the head office at 150 William street, New York City. The meetings, which will be devoted to the boiler and machinery lines, were arranged to meet a growing demand for educational material and sales helps for the development of such lines.

The growing interest of producers generally in the boiler and machinery lines is illustrated by the fact that this year the companies are sending printed copies of lectures to their agents throughout the country.

Among those scheduled to speak at the meetings are F. J. O'Neill, president; W. J. McCaffrey, vice-president; J. G. Wheatley, chief engineer; P. G. Palmer and H. W. Sanford of home office staffs; G. E. Babbitt of the Royal Indemnity metropolitan department, and J. P. H. de Windt, manager of the boiler and machinery department of the National Bureau of Casualty & Surety Underwriters.



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*Surplus	2,180,033.26
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	1,839,722.28
Contingency Reserve	700,266.34
All Other Liabilities	849,285.74
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Sturgess Named by Connecticut Group

(CONTINUED FROM PAGE 1)

F. L. Greeno, Rochester, N. Y., president of the New York association and chairman of the National association membership committee, emphasized the perils confronting agents, citing the declaration of Governor Lehman of New York favoring a state monopolistic compensation fund. Similar movements in other states emphasize the need for strengthening association membership.

Few Rules Urged

Mr. Greeno urged that the local boards operate with as few rules as possible rather than attempt to tie up every action under a regulation and depending upon obedience rather than the spirit of good will and cooperation. In increasing local board membership and creating loyalty, Mr. Greeno urged activity plus publicity. Newspaper interviews, radio talks on current insurance subjects to the public are excellent methods of securing publicity. It not only stimulates the growth of the board but it also gives prestige. Regional meetings have proven valuable in New York, said Mr. Greeno. He stated that the antagonism between companies and agents upon mutual problems is unfortunate.

J. F. Gaffey, Connecticut director of the Federal Housing Administration, explained his organization's activities and the insurance plan involved. He said that the activity would undoubtedly result in much additional business for insurance agents.

Coercion Methods Discussed

Methods to curb the coercion or implied coercion of lending institutions in their effort to obtain insurance was brought up in a discussion by C. H. Johnson of Stamford. Mr. Greeno said that in Rochester the board has been able to obtain an agreement with the banks which eliminates this difficulty. A similar agreement has been made with the loan agents of life companies.

Hartford agents were criticised for their lack of interest and participation in association affairs by Dale Butler, Middletown, past president of the state association.

T. W. Brown, president of the Hartford board, greeted the visitors. Arthur Bradshaw, Bridgeport, secretary-treasurer, reported a slight balance in the treasury. Emphasizing the necessity for strengthening local boards, W. C. North, New Haven, national councillor, advocated that local boards should hold regular luncheon meetings in order to create a better understanding of their activity.

David North, New Haven, chairman of the safety and fire prevention committee, told of the cooperation of local agents in that work. Paul Taylor, chairman of the membership committee, reported no marked change in the membership situation.

Constitution Changed

A change in the constitution and by-laws providing for local board committees and defining their scope and activities was adopted in accordance with the recommendation of the National association.

The new officers recommended by the nominating committee, headed by F. W. Brodie, Waterbury, were unanimously elected.

Mayor J. W. Beach of Hartford, a local agent, spoke at the luncheon. He said there were multiplying signs that the government was encroaching on the insurance business and urged the agents to combat the movement.

W. C. North, chairman of the finance committee, urged the agents revise their dues classifications to aid the association's treasury.

The Aetna Casualty's safety film, "Saving Seconds," was presented at the dinner. Commissioner H. P. Dunham told of the insurance department's efforts to improve the quality and reduce the quantity of agents. A definite advance in that direction has been made,

he said. Examinations are being made progressively difficult and failure to pass has been more frequent.

A. H. Stafford, Boston special agent of the Excelsior, in covering his subject, "Suggested Methods for Agents' Use in Collection of Balances," performed a number of magic tricks with the result that the agents decided to stick to their old methods of collection.

The following regional or county vice-presidents were named: Fairfield county, C. H. Johnson, Stamford; Hartford, E. S. Cowles, Jr., Hartford; Litchfield, H. W. Higgins, Norfolk; Middlesex, R. B. Brainard, Middletown; New Haven, J. R. Belcher, New Haven; New London, H. L. Bailey, Jr., New London; Tolland, E. E. Penney, Stafford Springs; Windham, S. J. Sumner, Willimantic.

CONVENTION NOTES

F. L. Greeno, Rochester, N. Y., chairman of the membership committee of the national organization, made his first trip as chairman of this committee to the Connecticut meeting. Mr. Greeno has constructive ideas on how to develop strength in the local board. He credits his training in the Rochester school as the source of these ideas.

* * *

T. A. Sturgess, new president of the Connecticut association, entered the insurance business in 1919 with the London Guarantee & Accident as an adjuster in New Haven. In 1920, he began work with the V. F. McNeil & Co. agency in New Haven. He has been with that agency since and is now its vice-president. He has been active for several years in the Connecticut association, first as regional vice-president and more recently as vice-president. He comes to his new task well equipped by experience to undertake the direction of the state organization.

* * *

Conventioners William Quid and S. A. Meharter of the Home group were mingling with the agents. Present also were A. B. White, new president of the New Hampshire association, and Arthur Rouillard, just retired as president in the same state.

* * *

President H. W. Hatch voiced the sentiment of all members in commenting on how greatly James L. Case was missed by stating that in his absence his thoughtfulness and help were more keenly realized than ever before.

* * *

The Aetna Casualty's safety film, "Saving Seconds," created favorable comment. The Aetna Casualty has 200 copies of this film and one girl in the home office does nothing but handle bookings for it. It is available for use by organizations throughout the country.

Uphold Setting Aside Assessment

INDIANAPOLIS, Nov. 14.—Action of the superior court in Indianapolis in setting aside an assessment levied against subscribers of the old Federal Automobile Insurance Association by G. W. Olds, receiver, has been upheld in the Indiana supreme court. The higher court also affirmed action of the county court in refusing to set aside the appointment of Olds as receiver.

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• RECENT COURT DECISIONS •

CASUALTY & SURETY

Combination Policy Danger

Incontestable Clause in "3-in-1" Contract Held to Apply to A. & H. Feature as Well as Life

Possible danger in companies selling combination life and accident and health policies, in which the fact of the combination is strongly emphasized, is illustrated in the case of Northern Life vs. Christie, et al., on which a decision has recently been handed down by the Washington supreme court.

The policy on which the action was based was the so-called "3-in-1" contract, which is pushed by the Northern Life. This provides combined life, health and accident protection.

Sought to Cancel Policy

The Northern Life sought to cancel the policy of accident and health insurance on the ground of alleged fraud in procuring the policy and to recover \$5,680 which had been paid out in monthly indemnities. The Northern Life contended that the one year incontestability clause in the policy referred only to the life insurance feature.

The supreme court held that as a matter of construction the incontestable clause cannot be tied in with the statute so as to make it applicable only to the life insurance portion. There is no statutory provision upon this subject with respect to accident and sickness insurance nor is the provision for incontestability after one year, in that kind of insurance, in any way contrary to public policy. Such a clause, the court held, can relate to no other kind of insurance in this particular contract than that of accident or health. The case must be determined upon the facts which include a persuasive "3-in-1" policy and made still more persuasive by being incontestable after one year with respect to sickness and health indemnity.

Holds Assured Failed to Cooperate, No Coverage

A case involving the question of cooperation of the insured with the insurer has been decided favorably towards the insurance company by the United States circuit court of appeals, third circuit (Pennsylvania) in Bruggeman vs. Maryland Casualty.

The insured was the Pittsburgh City Garden Company. Bruggeman was injured in an accident while a passenger in the automobile owned and driven by its manager and active head. The Maryland Casualty policy excepted from coverage any obligations of the insured under the compensation law.

Bruggeman brought suit against the Garden company and the Maryland Casualty offered to defend. The Garden company refused to swear to the affidavit of the defense which set out that Bruggeman was an employee injured in the course of his regular duties and within the compensation act and refused in every way to cooperate with the Maryland Casualty in preparation of the defense. The suit against the Garden company went undefended and resulted in a judgment of \$4,000 for Bruggeman.

The higher court held that cooperation with the insurer is one of the conditions of the policy. When the condition is broken, the policy is at an end, if the insurer so elected.

"For Hire" Clause Construed

Exclusion in Auto P. L. Policy Applies Even Though Fare Was Not Actually Paid

The Pennsylvania superior court, western district, has held for the Erie Indemnity in a case involving construction of the clause in the automobile liability policy excluding liability while the automobile is being operated for the carrying of passengers for a consideration. The case was Orcutt vs. Erie Indemnity.

Mendicino was the insured. Orcutt had recovered a judgment against Mendicino and then sought to recover the amount of the judgment from the Erie Indemnity, Mendicino's insurer.

Orcutt, a painter, went to a seed store to have the owner transport him with some paint, to another point. The owner could not do so, but Mendicino happened to be there and at Orcutt's request, transported him. When they reached their destination Orcutt paid him 25 cents for the trip and asked Mendicino to haul him later to another point. During the return trip Orcutt suffered the injuries for which he recovered judgment. The compensation for the return trip was not actually paid.

The higher court held that Mendicino was operating his car at the time of the accident for compensation or hire. There was no significance in the fact that compensation was not actually paid for the return trip. The insurance company had one rate for pleasure vehicles and another where automobiles were operated for hire and if the insured desired to embark in the more hazardous business it was his duty to procure a different

policy and pay the higher rate. In the suit against Mendicino, the Erie Indemnity agreed that it would defend the action against him and Mendicino agreed that nothing done necessary to the defense could be construed as a waiver of any provision in the policy. There is not sufficient evidence to sustain a conclusion that the insurer waived its rights by defending the action.

Distinction as to What Classes Agent May Waive

The policy provision to the effect that no agent has authority to change the policy or to waive any of its provisions, relates to the formation and continuance of the contract and not to the conditions which are to be performed after the loss has occurred. This is the decision of the Iowa supreme court in holding against the insurer under a personal accident policy in Carver vs. Preferred Accident.

Carver was injured while playing golf. The policy provided that written notice must be given to the company within 20 days after the accident. Carver said he gave oral notice to the general agent of the Preferred Accident four days after the accident and that the general agent agreed to give proper notice to the Preferred. It seems that the general agent did not give the notice until more than 20 days after the accident.

The provision requiring notice, according to the supreme court, could be waived, notwithstanding the provisions of the policy to the effect that no agent has authority to change the policy or waive any of its provisions. The term general agent may not define the scope of the powers of the agent, but it denotes an agent having broad and general powers. The acts of the agent alleged in the petition are sufficient to constitute a waiver of notice.

FIRE & MARINE

Fails to Pay Assessment

Delinquency as to One Policy in Mutual Doesn't Invalidate Second Policy in Good Standing

The contention of the Worth Mutual Fire that an assured, one of whose policies is void because of failure to pay an assessment, has no valid insurance with the company, even though another policy may be in good standing, was rejected by the Pennsylvania superior court, western district. The case was Baseler, et al., vs. Worth Mutual Fire.

The assured held a policy in the Worth Mutual dated Oct. 9, 1932, No. 1755. On Jan. 19, 1933, the property covered by the policy burned. No assessments had been levied against this policy. The company refused to pay because there was another policy, No. 23171, held by the same assured at the time policy No. 1755 was issued. On Oct. 2, 1932, assessment to pay losses was made, the assured failed to pay the assessment on policy No. 23171 and that contract became void. The Worth Mutual Fire claims that No. 1755 was also rendered void because of the failure to pay the assessment that was levied on the old policy.

The section of the by-laws upon which the Worth Mutual Fire relied was: "Whenever an assessment shall have been declared by the directors, and notice thereof forwarded to the assured, and the assured shall, for the space of 50 days, refuse to pay the same, then

this policy will without any action whatsoever by the company become void."

The court held that the intention of the parties must be gathered from the language employed and when there is doubt and two constructions can be made, the one which preserves the policy should be adopted. The new policy, therefore, is an entirely new contract. It is a new membership of the company irrespective of the existence or non-existence of a prior policy.

Mortgagee Clause Construed

Insurer Liable Despite Hypothecation of Mortgage Prior to Issuance of Policy

The fact that, prior to the issuance of a policy, containing the New York standard mortgage clause, the mortgagee had hypothecated his note and mortgage as collateral security, did not ipso facto render the standard mortgage clause void as to the mortgagee's interest. This was the decision of the North Carolina supreme court in Stockton et al. vs. Atlantic Fire. Judgment in the lower court in favor of the insurer was reversed.

The insured was Mrs. Stockton. The policy contained a mortgage clause running to the insured's husband. Prior to the issuance of the policy, the husband had pledged his note and deed of trust as collateral security. The Federal Land Bank of Columbia held a first and prior mortgage on the property, which

had been executed by Stockton's predecessor in title, and had also insured the property for its benefit at the time of the issuance of the Atlantic Fire policy.

Stockton offered to show that the Atlantic Fire agent had full knowledge of this encumbrance before issuing the policy. Such evidence was excluded in the lower court. Foreclosure proceedings were instituted by the Federal Land Bank in June, 1932. In January, 1933, the property was destroyed by fire.

Competent to Show Knowledge

The supreme court held it was competent for Stockton to show that the Atlantic Fire agent had full knowledge of the prior encumbrance. So far as D. C. Stockton, the husband, was concerned, his case would seem to be one for the jury. It is a generally accepted position that the New York standard mortgage clause operates as a distinct and independent contract for the separate benefit of the mortgagee, to the extent, at least, of not being invalidated, pro tanto, or otherwise, by any act or omission on the part of the owner or mortgagor, unknown to the mortgagee; and accordingly, as such, it affords protection against previous as well as subsequent acts of the assured.

Held to Be Recording Agent

First National Not Able to Establish Representative as Soliciting Agent to Escape Liability

An interesting decision as to what constitutes a recording agent, as distinguished from a soliciting agent has been handed down by the Iowa supreme court in a decision unfavorable to the insurer in Fillgraf vs. First National of Seattle. Tyrrell was the agent in question. He had been appointed by General Agent Cobb of the First National.

Tyrrell delivered a policy to Fillgraf, received the full premium but did not send the premium to the company at that time. General Agent Cobb wrote Fillgraf that the First National had elected to cancel the policy in five days. Fillgraf consulted Tyrrell who promised to pay the premium within five days. However, Tyrrell's check was not honored. Three months later, the First National received from Tyrrell remittance for the premium which was due and then informed Fillgraf that the policy had been reinstated.

Said Policy Was Extended

Tyrrell then told Fillgraf that because there had been no insurance during the period of cancellation, the policy was automatically extended after May 5, 1931, for the length of time it had been canceled. Tyrrell never reported this to the company. The fire occurred June 27, 1931. The question is whether Tyrrell was a soliciting or a recording agent.

The supreme court finds that Tyrrell was a recording agent. In view of the fact that the First National forwarded to Tyrrell blank policies, ready to be issued upon the signature of Tyrrell as the agent of the company; in view of the fact that the policy that was issued specified it was issued at the Spencer, Ia., office of the company, C. H. Tyrrell, agent; in view of the fact that Tyrrell was authorized to collect premiums and did collect the premium from Fillgraf; in view of the fact that when the First National canceled the policy it wrote to Fillgraf, directing him to see Tyrrell about the return premium, the company cannot now, after a loss has occurred, say that Tyrrell was not the recording agent, that he did not have authority to issue this policy and was merely soliciting agent.



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